Congressional Budget Justification, FY 2017

MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

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Executive Summary

(in millions of $)	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Request
Total Appropriation /Request	**899.5**	**901.0**	**1,000.0**
Compact Assistance	665.5	667.0	752.6
Threshold Programs	30.0	30.0	30.0
Compact Development/Oversight: 609(g) and Due Diligence	94.0	94.0	104.0
Administrative Expenses	105.0	105.0	108.4
Office of the Inspector General	5.0	5.0	5.0

The Millennium Challenge Corporation (MCC) works to improve lives and transform communities around the world by focusing on one mission: reducing poverty through economic growth. Over the next five years, MCC is working to expand impact, leverage public and private partners, and drive innovation to accomplish this mission.

The agency is requesting $1.0 billion for Fiscal Year (FY) 2017 to advance its mission by funding partnerships to spur economic growth in developing countries and enhance the stability of strategically important regions.

Evidence shows that economic growth is the strongest driver of poverty reduction and that development programs focused on both policy reform and growth are particularly important as global growth slows.

MCC creates the conditions for growth and poverty reduction through its performance-based model that incentivizes countries to develop and maintain policies necessary for growth. MCC maximizes the effectiveness and impact of the projects it funds by partnering only with countries that meet rigorous metrics for democracy, good governance, and open markets, and by catalyzing and leveraging private sector financing.

MCC has funded compacts with 26 countries totaling over $11 billion since 2004. About 65 percent of MCC's compact portfolio has been invested in Africa, with the rest in Central America, Eastern Europe, the Middle East, and Asia. By using a country-led and country-owned implementation model, MCC has successfully worked with partner countries to improve the lives of an estimated 175 million people around the world. These investments are connecting some of the world's poorest people to jobs, markets, and opportunities. MCC projects provide families with clean water, communities with electricity and roads, farmers with protections for their land rights, and students with schools that teach the skills they need in the workforce. These projects improve quality of life and empower people to become more self-sufficient, so that they can improve their own lives.

Through rigorous oversight and monitoring, countries are held accountable to high standards of both governance and project implementation throughout their MCC partnership. As a result, this country-led model produces investments that are sustainable and effectively spend aid dollars. By coupling this model with an evidence-based approach to country and project selection, MCC helps to foster democracy and open markets, generating a strong return on U.S. investment and new economic opportunities for American businesses. MCC's compacts are often a cornerstone of the U.S. economic relationship in the countries with which the agency partners.

FY 2017 MCC Investments

Globally, a lack of roads, bridges, power, and ports is a major hurdle to economic growth and often traps people in endemic poverty. Too often, the private sector is unwilling to make investments because of poor governance and rampant corruption. The funds requested in MCC's FY 2017 budget will not only advance good governance and economic values, but make lasting improvements in the lives of poor people by leveraging private investment through political and institutional reforms. Without sufficient funding, MCC will have less leverage to incentivize these reforms, or make the large investments needed to empower individuals though improved access to vital services. Fully funding the Administration's request for MCC will provide the agency the resources it needs to:

- Embed the United States more deeply in the fight against poverty in the economically dynamic and geopolitically important region of Asia. In FY 2017, MCC is expected to bring forward compact proposals with Nepal, Mongolia, and the Philippines. Investments in these countries will bolster the gains in democratic governance and economic freedom that each country has made and leverage untapped private resources in a cohort of countries that show great potential for sustained growth. MCC is also expected to advance a threshold program with Sri Lanka in FY 2017.
- Support an accelerated compact development pace. MCC signed two compacts in FY 2016 and anticipates signing two additional compacts before the end of the year. The agency expects the Board of Directors to review four additional compacts in FY 2017. The increased funding request, including program assistance, 609(g)/due diligence, and administrative expenses, stems from this accelerated pace. Fully funding MCC's FY 2017 request is critical to realizing the opportunity for growth from the new compacts with Nepal and the Philippines. Moreover, the request does not include funding for countries selected as compact eligible in December 2015, namely Côte d'Ivoire, Kosovo, and Senegal, which will need to rely on funds appropriated in FY 2018. Both Côte d'Ivoire, which had been developing a threshold program, and Senegal, a previous MCC partner, are anticipated to move expeditiously through the development process.
- Maximize impact through regionally focused investments. Congressional support for potential MCC regional investments has been strong, and MCC continues to pursue concurrent compact authority as part of the FY 2017 President's Budget to better operationalize this concept. Lack of regional integration continues to be a key constraint to growth across many of MCC's partner countries, and this authority is critical to allow MCC to make strategic regional investments that facilitate trade flows, yield high economic returns, and deliver economies of scale. In West Africa, for example, MCC could finance the development of electricity, water, or transport infrastructure and policies to facilitate regional trade.

- Efficiently manage the agency's resources in order to provide effective program development and oversight. The President's Budget requests raising the statutory cap on administrative expenses to $108.4 million, a modest 3.2 percent increase from the funding cap that has been in place since FY 2012. The small increase is driven primarily by: (1) MCC's greater staffing needs, due in part to the pace of compact signings; and (2) the growing cost of overseas operational support, including higher State Department-mandated International Cooperative Administrative Support Services (ICASS) costs and Capital Security Cost-Sharing (CSCS) expenses required to maintain staff overseas. The increase will enable MCC to continue to make investments to effectively and efficiently execute, monitor, and evaluate MCC programs.

The sections that follow provide detailed information on the funding requests for Compact Assistance, Threshold Programs, 609(g)/Due Diligence, Administrative Expenses, and the Inspector General.

The Five-Year Budget and Strategic Plan

In the coming weeks, MCC will release a new five-year strategic plan that will guide the agency to:

- *Expand Impact.* MCC will double down on its commitment to reduce poverty through economic growth by identifying constraints that are regional in nature, improving efforts to achieve systemic and sustainable change, and ensuring that the agency's work is reaching those who need it most, including the poor and the vulnerable. MCC will deepen its partnerships in Africa and look to expand partnerships in regions like South Asia.
- *Leverage Public and Private Partners.* The world of global development has changed, and private-sector investment is crucial to meeting global development goals and tackling poverty. In coordination with partner countries and other donors, MCC will hone its focus on policy reforms and solutions that reduce risks and create opportunities for businesses, and it will identify and deploy new ways to draw the private sector into its projects to scale up its investments. For example, MCC has committed to providing $70 million to support public-private partnerships in partner countries. This new commitment is expected to bring $1 billion in private-sector investments over the next five years.
- *Drive Innovation.* Founded upon decades of development experience, MCC will continue to lead by example and drive best practices in the global effort to lift people out of poverty. MCC's commitment to evaluating its projects and sharing lessons learned, as well as its unique ability to scale up cutting-edge approaches, will support its role as a knowledge leader in the U.S. government and across the development community.

As part of the agency's strategic planning efforts, the FY 2017 request projects resource needs over the next five years. These projections are based on MCC's historical compact sizes (accounting for inflation) and execution rate of compact investments, including pipeline projections for funding at least three bilateral compacts each year, or two bilateral compacts each year and one regionally-focused investment every 2.5 years on average. The five-year budget framework will be refined each year based on the most recent developments in the compact pipeline, information gathered from the agency's active portfolio, and other relevant data, such as changes in the candidate country pool.

Country*	**FY 2017**	**FY 2018***	**FY 2019**	**FY 2020**	**FY 2021**
Country 1 (bilateral)	Primarily	416	425	435	445

Country 2 (bilateral)	supports compacts with Nepal and the Philippines	416	425	435	445
Regional Compact Funded Over 3 Years or Country 3 (bilateral)**		295	302	308	315
Total	753	1,127	1,152	1,178	1,205

* Dollar figures are estimates using inflation assumptions consistent with economic assumptions included in the FY 2017 President's Budget.
** The funding in this row will be allocated to either a regional investment every 2.5 years or a bilateral compact each year.
*** Please note that the FY 2018 estimates above are a placeholders and are not intended to presuppose future budget requests or the specific sizes of compacts with Côte d'Ivoire, Kosovo, and Senegal or of regional investments.

The FY 2017 request supports the efficient allocation of resources over time and will also have positive effects on MCC's potential and current partner countries. The projected funding baseline will encourage potential partner countries to take difficult steps to improve policy performance to be selected for a compact because of the expectation of funding being available in the near future. As always, countries with compacts currently in development will need to develop high-quality project proposals to compete with other partner countries for funding within the forecasted baseline.

Maximizing Poverty Reduction through Regional Investments

Economies do not work in isolation and poor countries can grow faster, create more jobs, and attract more investment when they are part of dynamic regional markets. Enhanced regional integration can connect countries to export opportunities as well as provide the ability to import factors needed for their own economic activity, such as power or water. The World Bank, for instance, estimates that regionally integrated infrastructure could double sub-Saharan Africa's share of global trade. After more than 10 years of successfully delivering large, complex infrastructure projects, coupled with supporting difficult policy reforms, MCC is well positioned to increase the impact of its investments by focusing, in some cases, regionally.

Under the right circumstances, regional investments—particularly in transportation, water, and energy—present opportunities to increase impact by taking advantage of higher rates of return on investment and larger scale reductions in poverty. Regulatory mismatches and actual physical barriers constrain countries' ability to realize the full benefits of trade with neighboring countries, effective management of common resources, or the creation of larger consumer markets. Financial or regulatory integration, transport networks that cross borders, or management of resources like energy or water all can benefit smaller or less developed economies, which are sometimes otherwise unable to reach the scale they need to be seen as consumer markets or investment destinations.

By making coordinated investments across multiple countries to expand existing infrastructure, MCC will be able to help partners work together to build and grow regional markets, facilitate trade, and capture more impact through economies of scale. This, in turn, will help generate new business and market opportunities for U.S. and other companies.

At present, however, MCC has the authority to sign and implement only one compact at a time with any given partner country. As a result, MCC cannot move forward on most multi-country investments if some of the countries involved have ongoing compacts. In December 2015, for instance, MCC selected Côte d'Ivoire as eligible to develop a compact. Several existing MCC compact partners are neighbors of Côte d'Ivoire and the ability to sign concurrent compacts would enable MCC to increase its impact by addressing regional constraints to growth.

The authority MCC is seeking would allow the agency to maintain its focused, data-driven model for country and project selection. These investments will employ MCC's local implementation and accountability, allowing for multiple bilateral compacts to be knitted together into a regional project. The agency framework will seek to spur economic growth through a combination of policy reforms and infrastructure, justified by rigorous economic analysis. Without concurrent compact authority, MCC will be leaving critical development impact on the table.

Operationalizing Regional Investments

MCC has the proven operational frameworks in place to deliver economic impact through a country-driven process, and from this has gained the trust and reputation needed to address the added complexities of regional projects. The agency is able to leverage its reputation for clean procurements, economic justification for every project, and country buy-in to promote accountability. Concurrent compact authority will allow MCC to develop regional projects while still adhering to the agency's important country-owned processes that demand accountability and allow the agency to maintain and build upon the core elements of its operational model to produce high returns on investments. In any regional investment, MCC would continue its:

- *Transparent process for selecting the best-governed poor countries*. Selection of regional investments would be based upon the existing country selection system; countries selected by the Board as eligible for bilateral compacts would also be eligible for regional investments.
- *Use of economic analysis to choose investments*. Regional investments would be selected based on economic analysis of project returns. The preliminary economic rates of return (ERRs) will need to show returns above MCC's hurdle rate, five-year timeline feasibility, manageable environmental and social risks, implementation of policy and institutional reforms, private sector engagement, and sustainability.
- *Commitment to suspend or terminate investments.* MCC recognizes that one of the risks inherent in regional investments is that one or more of the countries involved in the partnership may not perform well or may suffer governance declines inconsistent with continued MCC engagement. MCC is committed to suspend or terminate regional investments as appropriate just as it is with bilateral investments.

Compacts in Development

(in millions of $)	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Request
Total Appropriation /Request	899.5	901.0	1,000.0
Compact Assistance	665.5	667.0	752.6
Section 605			722.5
Section 609(g) Compact Development Funding (CDF)			30.1

* CDF amounts are estimated using MCC's recent historical average of approximately 4 percent of total compact assistance.

In order to support U.S. global development priorities and maximize the investments available in its candidate pool of poor but well-governed countries, MCC plans to primarily invest $752.6 million of the FY 2017 request in new compact programs with Nepal and the Philippines.

Fully funding the FY 2017 request is critical to U.S. leadership in reducing poverty in Asia and to demonstrating U.S. commitment to advancing democracy, good governance, and open markets in a region that is under significant geopolitical pressure. In addition to Nepal and the Philippines, in FY 2017, MCC aims to bring to the MCC Board of Directors for approval two other Asian investments: (1) a compact with Mongolia; and (2) a threshold program with Sri Lanka, both of which are discussed in more detail later in this document.

FY 2017 Compact Investments

Based on multiple factors, including the size of the countries' populations and economies, incidences of poverty, absorptive capacities, and need, $752.6 million for investment opportunities in Nepal and the Philippines could significantly advance poverty reduction in these two important economic and geopolitical partners.

Nepal is one of the poorest countries across Asia. It continues to face extensive development needs, especially in the aftermath of the devastating earthquakes in 2015, which killed more than 8,000 people and left hundreds of thousands homeless. Given the country's weak foreign direct investment flows, chronic underinvestment in critical growth sectors such as energy and transport, and nascent public infrastructure, MCC's investments in Nepal will come at a critical time. The energy and transport sectors, which were identified as the binding constraints to economic growth, have compact needs upwards of $600 million given the extensive requirements identified by the Government of Nepal. Through the compact development process, MCC will target the requested $301 million to high-return projects achievable within the five-year compact window to address the accumulated need for seismic-resilient investments in capital-intensive sectors. Investment decisions will take into account other donor assistance to Nepal, and projects will be coordinated with other donors where appropriate.

With a population of 99 million, the Philippines is a uniquely strategic partner in an economically and geopolitically important region. Despite its economic progress, the Philippines remains an economy with high degrees of inequality and persistent poverty across its more than 2,000 populated islands. Economic analysis is ongoing between the Government of the Philippines and MCC on identifying areas for second compact development. Given the extensive infrastructure gaps in the Philippines and pressing poverty needs across a large archipelago, MCC's estimate of $430 million in this budget request may be modified as MCC negotiates project selection with the Government of the Philippines. The successes of the 2010 Philippines Compact are discussed on page 13, along with an update on the progress of developing the new compact program.

In December 2015, the Board selected Côte d'Ivoire, Kosovo, and Senegal as compact-eligible. MCC expects to use FY 2018 funding for these three programs. Both Côte d'Ivoire, as a recent threshold program in development, and Senegal, as a previous compact partner, are anticipated to move expeditiously through the compact development process.

Compact Development Process Overview

Compact Development Process Overview

	1. Preliminary Analysis	2. Problem Diagnosis	3. Project Definition	4. Project Development	5. Negotiation

Eligible Country	• Names a National Coordinator and puts together a compact development team • Analyzes constraints to economic growth, opportunities for private investment, and poverty • Undertakes broad consultations with stakeholders	• Expands compact development team • Analyzes key root causes of binding constraints • Defines, develops initial project ideas to address constraints • Submits Concept Notes	• Defines and scopes specific projects and activities • Builds strong project logic for proposed compact program • Identifies intended beneficiaries • Consults stakeholders on project design • Submits detailed Project Proposals	• Conducts feasibility, environmental and other studies • Measures expected economic impact • Identifies risks and mitigation measures • Begins establishing structures needed in implementation	• Finalizes monitoring and evaluation • Negotiates legal, financial, technical terms of program • Creates dedicated MCA unit for implementation

MCC	• Staff a country team • Provides compact development guidance • Advises and assists with analyses	• Reviews, approves Concept Notes • Approves concept projects for further development	• Reviews, approves Project Proposals • Approves projects for full development and appraisal	• May fund necessary preparatory studies • Oversees, manages procurements • Conducts thorough project appraisal • Makes final decision on projects	• Notifies Congress of intent to negotiate • Defines budget and commits funding • Obtains approval of MCC's Board • Signs agreements

Compact Pipeline and Country Updates

The chart below and the subsequent pages provide updates for all of the compacts currently in development, including estimated Board consideration timing and compact sizes. Program and sector data for countries already in implementation can be found online at www.mcc.gov/results.

Countries and Appropriations Used (in millions of $)	**Prior Years**	**FY 2016**	**FY 2017**	**FY 2018**	**Total**
Board Consideration in FY 2016:					
Niger	58	392			450
Tanzania	295	178			473
Board Consideration in FY 2017:					

Lesotho	91	97	22		210
Mongolia	260				260
Nepal			301		301
Philippines			430		430
Board Consideration in FY 2018:					
Côte d'Ivoire				TBD	TBD
Kosovo				TBD	TBD
Senegal				TBD	TBD
Total		667	753	TBD	

Côte d'Ivoire

Compact size to be determined, Board consideration in FY 2018

MCC's Board selected Côte d'Ivoire as eligible for compact assistance in December 2015. MCC is working with the Government of Côte d'Ivoire to develop a compact program building off of the constraints analysis and sector diagnostics that were conducted in FY 2015 when the country was developing a threshold program with MCC. The constraints analysis identified four binding constraints to economic growth in Côte d'Ivoire: (1) low levels of basic and technical/vocational skills; (2) lack of access to industrial land; (3) the administrative burden and unpredictability of paying taxes; and (4) barriers to moving goods and people, especially in Abidjan. In selecting Côte d'Ivoire as eligible, the Board also recommended that MCC explore potential investments that address regional obstacles to economic growth, in addition to domestic investments, while recognizing the need for statutory authority to optimize regional impact.

Kosovo

Compact size to be determined, Board consideration in FY 2018

MCC's Board selected Kosovo as eligible to develop a compact in December 2015. This selection decision recognizes the progress Kosovo has made in controlling corruption, improving democratic rights, and ensuring sound and rigorous data collection for the MCC scorecard.

Kosovo's progress on the key areas of policy performance measured by MCC's scorecard is clearly seen in the spike in Kosovo's Democratic Rights scores and the country's improvement on the Control of Corruption indicator over the past year. Kosovo is a solid example of the "MCC Effect," with the government having made an organized and concerted effort to improve on key indicators in order to pass the MCC scorecard. The president took a direct interest in Kosovo's performance on MCC's scorecard and worked closely with the United Nations Kosovo Team to get data reported and onto the scorecard for the first time. Kosovo now passes 13 indicators, six more than in FY 2015, and passes the Control of Corruption indicator in the 52nd percentile. The country remains very poor, with nearly a third of the population living in poverty.

Lesotho

Estimated $210 million, Board consideration in FY 2017

MCC's Board selected Lesotho as eligible to develop a compact in December 2013. Following selection, MCC and the Government of Lesotho completed foundational studies to identify the most binding constraints to growth. MCC and the Government of Lesotho have been working since late 2014 to validate the findings through broad consultations with government, civil society, and the private sector. Four binding constraints to private sector-led economic growth in Lesotho were identified:

- *Health*: A high disease burden among the working-age population that lowers the productivity of firms and individuals.
- *Skills*: Agents in job-creating sectors have difficulty procuring appropriate technical and managerial skills, which lowers the productivity of firms.
- *Land*: Agents in Lesotho have difficulty accessing secure, documented, and transferrable rights to productive land.
- *Regulatory and policy environment*: Enterprises in Lesotho face an uncertain, inconsistent and underdeveloped regulatory, policy and legal framework for business and investment.

Underlying the binding constraints in Lesotho is a core syndrome: the Government of Lesotho's ineffectiveness in utilizing its resources for the provision of key public services that would promote a competitive business climate.

While the initial studies have been completed and the Government of Lesotho has submitted comprehensive and detailed problem analyses and concept notes to MCC, at the December 2015 meeting, the MCC Board deferred a vote on the reselection of Lesotho for compact eligibility until the country addresses relevant governance concerns.

Results of Lesotho's 2007 Compact

MCC's $362.6 million compact with Lesotho, which ended on September 17, 2013, improved the water supply for industrial and domestic needs, increased access to essential health services and stimulated investment by improving access to credit for both men and women.

The *Water Project* upgraded and expanded water systems to increase water supply to domestic and industrial consumers in selected urban and rural areas, including the completion of 175 rural water systems. The project supported a multi-donor effort to construct a water treatment plant and storage facility for the Metolong Dam, which will provide an estimated 100,000 beneficiaries with access to clean water.

The *Health Project*was designed to mitigate the negative economic impacts of poor maternal health, HIV/AIDS, tuberculosis, and other diseases by strengthening health care infrastructure and human resources. All 14 planned outpatient departments at district hospitals are complete. The national reference laboratory and blood processing center and the health college dorms are complete. All 138 health centers are complete. Contractors continue to address minor repairs at the health centers, but the health centers are providing services to citizens, and the Government of Lesotho is implementing a plan for the proper maintenance of these facilities.

The *Private Sector Development Project*aimed to increase access to credit, reduce transaction costs and enhance participation of women in the formal economy. The project supported the Government of Lesotho's major policy reforms in gender equality, land and credit reporting, as well as the establishment of a commercial court and small claims process. Passage of the Legal Capacity of Married Persons Act removed the minority status of married women, giving them the legal right to enter into contracts, register property and act as a director of a company. The land project registered nearly 50,000 parcels out of a targeted 55,000, and the newly established Land Administration Authority continues to provide improved land administration services post compact.

Lesotho funded the remaining compact activities that were not completed by the compact end-date through approximately $150 million in government contributions.

Mongolia

Estimated $260 million, Board consideration in FY 2017

Mongolia, which shares the entirety of its southern border with China and its northern border with Russia, represents a strong democratic presence in its region. After passing MCC's policy indicator scorecard and successfully completing a compact in 2013, Mongolia was selected in FY 2015 by MCC's Board of Directors as eligible to develop another compact proposal. The Board reaffirmed that support in FY 2016.

Mongolia struggles with significant macroeconomic management challenges, institutional capacity constraints, and a large population living at or near the poverty line and vulnerable to falling below it.

Shortly after being named eligible for FY 2015, the Government of Mongolia established a National Secretariat for Compact Development. The National Secretariat with MCC's team of experts completed a constraints to growth analysis that identified four binding constraints: (1) a weak and unstable macroeconomic environment, (2) inconsistent laws and policies, resulting in an unpredictable business environment, (3) health impacts of air pollution in Ulaanbaatar, and (4) costly access to water and sanitation in productive sectors and poor communities.

MCC and the Government of Mongolia then undertook a root cause analysis to examine underlying drivers of these four constraints. Based on this analysis, the Government of Mongolia will submit concept notes proposing focus areas for the compact program. Consultations with the public sector, private sector, civil society, including organizations representing women and other disadvantaged groups, and other donors has been key to each phase of this analysis.

Results of Mongolia's 2008 Compact

Mongolia successfully completed its first compact program in September 2013. The multi-faceted compact focused on land tenure, health, vocational education, transportation, energy, and reducing pollution. The $284.9 million compact program's results included improving property rights for small herders by formalizing over 19,000 land titles; establishing the country's first state-of-the-art medical facility for stroke and heart attack patients; modernizing the vocational education system; constructing a paved 176 km all-weather road to access key trading markets; and supporting the installation of over 100,000 fuel-efficient stoves.

Nepal

Estimated $301 million, Board consideration in FY 2017

MCC's Board selected Nepal as eligible to develop a threshold program in FY 2012, and MCC began engaging the Government of Nepal on policy and institutional reforms at that time. Given steady progress to institutionalize democratic governance and strong performance on the MCC scorecard indicators for four consecutive years, the MCC Board of Directors selected Nepal as eligible to develop a compact program in FY 2015, thereby superseding the threshold program.

In developing the threshold program, MCC and the Government of Nepal completed an analysis that identified the inadequate supply of electricity and the high cost of transport as binding constraints on the country's economic growth. The government worked with MCC on extensive consultations with the public sector, private sector, and civil society organizations, and on developing detailed sector analyses. These analyses demonstrated that the low availability of electricity has resulted in daily power cuts, which create significant costs for businesses that must invest in expensive alternative sources of power to meet their needs.

The high cost of transportation in Nepal is driven by the country's rugged terrain and landlocked geography, as well as by the poor quality and quantity of roads, a lack of competitiveness in the trucking sector, and costly customs procedures. These factors result in the expensive and unreliable transport of goods within Nepal and to international markets.

To date, MCC and the Government of Nepal have signed an Initial Engagement Agreement for support of its compact development team. Despite challenges associated with the devastating earthquake in April 2015, the government has already identified a highly qualified national coordinator and added several technical specialists to its compact development team. MCC will be a partner in the country's long-term recovery and has worked closely with the international donor community on its response to the earthquake and the assessment and identification of post-disaster needs. MCC is undertaking technical missions to inform project design and compact development.

Niger

Estimated $450 million, Board consideration in FY 2016

Niger is one of the poorest countries in the world, although it has relatively strong policy performance as indicated by several consecutive years of passing the MCC scorecard. In 2008, MCC signed a threshold agreement with Niger, which was suspended in 2009. In 2011, Niger was the first country to demonstrate that, with sufficient political will, countries can restore their MCC eligibility following suspension. Since that time, Niger has pursued reforms to enhance democratic and economic governance and has contributed to efforts to promote stability in the region. Niger was a strong MCC partner in its threshold program, operating a dedicated program and policy analysis unit through two elected governments and even during the period of the program's suspension.

Niger was selected to develop a compact in December 2012. A compact development team, funded by the Government of Niger, completed a constraints analysis, as well as the first phases of complementary private sector and gender analyses in May 2013. The three binding constraints to economic growth were identified as: (1) access to water for agriculture and livestock production; (2) inefficient government regulation of business; and (3) institutional and regulatory barriers to trade. The Government of Niger submitted concept papers in June 2015.

Currently in the project development and appraisal phase, MCC and the Government of Niger are developing two primary projects: (1) a large-scale irrigated agriculture infrastructure project, which consists of the development of new and rehabilitated irrigation perimeters, as well as roads to facilitate market access; and (2) community-based livestock and climate-smart agricultural systems. Due diligence, feasibility assessment and design of these projects will continue, with a projected submission of the compact to the MCC Board of Directors for consideration in June 2016.

Officials from the Government of Niger, including President Mahamadou Issoufou, cabinet ministers, and the president's chief of staff, are deeply engaged in the compact development process and are strongly committed to maintaining and improving Niger's performance on MCC's scorecard. The first round of presidential and parliamentary elections in Niger will be held on February 21, 2016. The presidential run-off and local elections will take place on March 20, 2016. President Issoufou will be running for a second term.

Security risks in Niger and the West Africa region in general continue to be a challenge for the ability of MCC and partners to operate. The MCC country team will continue to work in close collaboration with the U.S. Embassy-Niamey to address the safety and security of agency staff and programs.

Philippines

Estimated $430 million, Board consideration in FY 2017

MCC's Board selected the Philippines as eligible to develop a second compact in FY 2015. Despite recently graduating from a low income country to a lower-middle income country and thus being in a more competitive country pool, the Philippines has continued to perform well on the MCC scorecard. The Philippines remains among the 75 lowest per capita income countries, and is, therefore, a low income country for MCC funding purposes.

The Philippines has made strides in control of corruption in recent years, with the private sector noting significant improvements. The Philippines was identified as a top reformer in the World Bank's *Doing Business* report in 2014, after improving processes for obtaining construction permits, accessing credit, resolving insolvency, and paying taxes. The International Monetary Fund also noted recent improvements in fiscal transparency and public financial management.

In developing a second set of investments, MCC and the Government of the Philippines jointly completed a constraints analysis that has preliminarily identified binding constraints to growth and investment, including government coordination and implementation capacity, high costs of transport logistics and electricity, and difficulties in rural markets. Further sector analyses in the coming months will include further and extensive consultations with the government, the private sector, development partners, and civil society. MCC expects the Philippines to develop concept papers in FY 2016.

The Philippines must successfully complete the current compact program and continue to meet MCC's eligibility criteria before MCC approves a second compact.

Results of the Philippines' 2010 Compact

The first Philippines compact began in 2011 and is on track for completion in May 2016. Among its results so far, the $433.9 million program has helped to double revenue collections and reduce opportunities for corruption in the Bureau of Internal Revenue through improved business processes. It has built over 2,800 small-scale and structurally sound infrastructure projects (exceeding compact targets). In building these projects to help address communal priorities in a sustainable manner, the compact has promoted participation by women. Finally, the Government of the Philippines and MCC are working diligently to complete the rehabilitation of 222 kilometers of a secondary national road to climate-resilient standards and with significant safety enhancements.

Senegal

Compact size to be determined, Board consideration in FY 2018

MCC's Board selected Senegal in December 2015 as eligible to develop a second compact. Senegal continues to show strong policy performance, especially since the election of President Macky Sall in 2012. Senegal has seen improved performance on MCC's Control of Corruption and Political Rights indicators. These improvements reflect the newly empowered National Anti-Corruption Commission investigating members of the former government and ending President Wade's destabilizing campaign for a third term. President Sall continues to demonstrate strong domestic and regional leadership, leading anti-terrorism and peacemaking efforts as the chairman of the Economic Community of West African States. Senegal has had GDP growth of around 5 percent in 2014 and 2015, with improvements due to improved agricultural output and increased remittances. Inflation remains very low.

In selecting Senegal as eligible, the Board also recommended that MCC explore potential investments that address regional obstacles to economic growth, in addition to domestic investments, while recognizing the need for statutory authority to optimize regional impact.

Results of Senegal's 2009 Compact

The $540 million compact with Senegal aimed to boost economic growth by unlocking the country's agricultural productivity and expanding access to markets and services through investments in roads and irrigation networks. The two primary compact projects, roads rehabilitation and irrigation and water resource management, were geographically focused in the Senegal River Valley in the north and the Casamance region in the south. The compact priorities were identified to align to the country's long-term objectives of enhancing economic growth and food security. Results of the two projects are discussed in detail in the "Results of Recently Closed Compacts" section in the appendix.

The first Senegal Compact closed in September 2015, with successful completion of the irrigation project and most of the roads project, despite initial challenges in the early years of implementation. The government has committed the needed funds for the completion of the remaining works and is actively managing these contracts in addition to ensuring sustainability efforts for all compact investments going forward.

Tanzania

Estimated $473 million, Board consideration in FY 2016

After showing strong commitment to policy reform and implementation in its first compact, Tanzania was selected by MCC's Board in December 2012 to develop a compact.

Tanzania completed an economic analysis as part of its participation in the Partnership for Growth initiative. The analysis highlighted constraints stemming from the lack of reliable electricity and the limited network of market access roads, among other concerns. After the initial stages of due diligence, the focus of the proposed compact was narrowed to the power sector. The Government of Tanzania has worked with development partners, civil society, and the private sector to prepare the Electricity Supply Industry Reform Strategy and Roadmap (ESI Reform Roadmap) to address a variety of challenges in the energy sector. The proposed MCC compact is designed to help the government implement critical elements of the ESI Reform Roadmap. The proposed compact will include infrastructure investments, significant technical advice to support energy sector reform and institutional reform in combination with a comprehensive set of conditions and covenants designed to achieve timely government actions and safeguard U.S. taxpayer funds.

The current proposed compact is composed of five interconnected projects: (1) transformation of the Tanzania Electricity Supply Company (TANESCO); (2) reform of the Tanzania energy sector; (3) expansion of the TANESCO distribution system; (4) facilitation of the productive uses of electricity; and (5) transformation of the Zanzibar Electricity Company (ZECO).

Tanzania passed 16 of the 20 indicators in FY 2016, including Control of Corruption. At its December 2015 meeting, the Board deferred a vote on the reselection of Tanzania for compact eligibility until the country addresses relevant governance concerns.

Results of Tanzania's 2008 Compact

From 2008 to 2013, Tanzania successfully implemented a $698.1 million compact program composed of the following projects:

- *The Transportation Project* upgraded more than 470 kilometers of primary roads throughout the mainland and rural roads in Zanzibar to connect communities with schools and health clinics and reduce transportation costs. By the close of the compact, 190 kilometers had been fully completed and the remaining construction largely finished, with the Tanzanians finalizing outstanding works post-compact.
- *The Energy Project* improved electricity coverage, primarily through new power transmission and distribution. Specifically, MCC funded a new 100 megawatt submarine power cable from the mainland to Zanzibar, and approximately 2,800 kilometers of new or rehabilitated transmission and distribution lines (200 kilometers of which were completed by Tanzania after compact closeout) and an additional 296 megavolt amperes of substation capacity in seven underserved regions of mainland Tanzania.
- To address serious shortfalls in access to clean water impacting health and productivity, the *Water Project* helped rehabilitate water intake and treatment plants and improved the existing distribution network in both Dar es Salaam and Morogoro. This resulted in an increase in treated water capacity from 180 million liters per day to 270 million liters per day in the capital and from 23 million liters per day to 33 million liters per day in Morogoro, potentially benefiting 2.8 million people. The Government of Tanzania completed the Dar es Salaam and Morogoro works post-compact.

Throughout implementation of the first compact, Tanzania fulfilled its policy reform commitments and demonstrated country ownership through its use of $132 million of its own funds to cover any cost escalation and to complete construction work that was not finished when the compact ended in September 2013. All first compact activities are now complete.

Threshold Programs in Development

Threshold Programs (in millions of $)	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Request
Total Appropriation /Request	899.5	901.0	1,000.0
Threshold Programs	30.0	30.0	30.0

For FY 2017, MCC plans to use up to $30.0 million to support new threshold programs with Sri Lanka and Togo, which were selected by the Board in December 2015 as eligible for threshold program assistance. Development of threshold programs with these two new partner countries will follow the process depicted on the next page, and they are expected to be signed in FY 2017.

In 2015, MCC signed threshold programs with Guatemala and Sierra Leone. The $28.0 million threshold program with Guatemala supports the Administration's strategy for engagement in Central America by strengthening governance and limiting opportunities for corruption in customs and tax administration, as well as supporting critical investments in secondary education to combat the root causes of the poverty driving illegal immigration. The $44.4 million threshold program with Sierra Leone will build a foundation for the more effective and financially sustainable provision of essential water and electricity services in greater Freetown.

Background

MCC's threshold program is a powerful tool that provides promising candidate countries with a potential gateway to compact eligibility. The threshold program develops robust policy reform and institutional strengthening programs with promising candidate countries that further three key objectives: (1) accelerate the MCC Effect among aspiring countries by incentivizing continued policy improvement on the scorecard; (2) support better governance in sectors critical to future economic growth; and (3) assess the opportunity for an impactful and cost-effective partnership before committing to a larger compact. MCC is using the same rigorous, evidence-based approach in threshold programs as it does in compacts, leading to high-quality investments that maximize potential systemic impact and lay the foundation for follow-on larger investments.

If successfully implemented, these reforms will reduce constraints to faster economic growth, increase transparency and accountability, and provide MCC critical information about a candidate country's political will and capacity to undertake the types of reforms that would have the greatest impact in compacts.

Countries with threshold programs are not guaranteed compact eligibility. For those that are selected, successful implementation of their threshold program will yield significant advantages for a potential future compact. For example, the partner country will likely have enhanced its ability to design and implement investments that will generate the greatest results, and MCC will also have a head start on the work and relationship necessary to design a high-impact compact. In some cases, MCC may also be able to make early progress on longer duration reforms that ultimately enhance the sustainability of the results of a compact.

Updates for Programs in Development

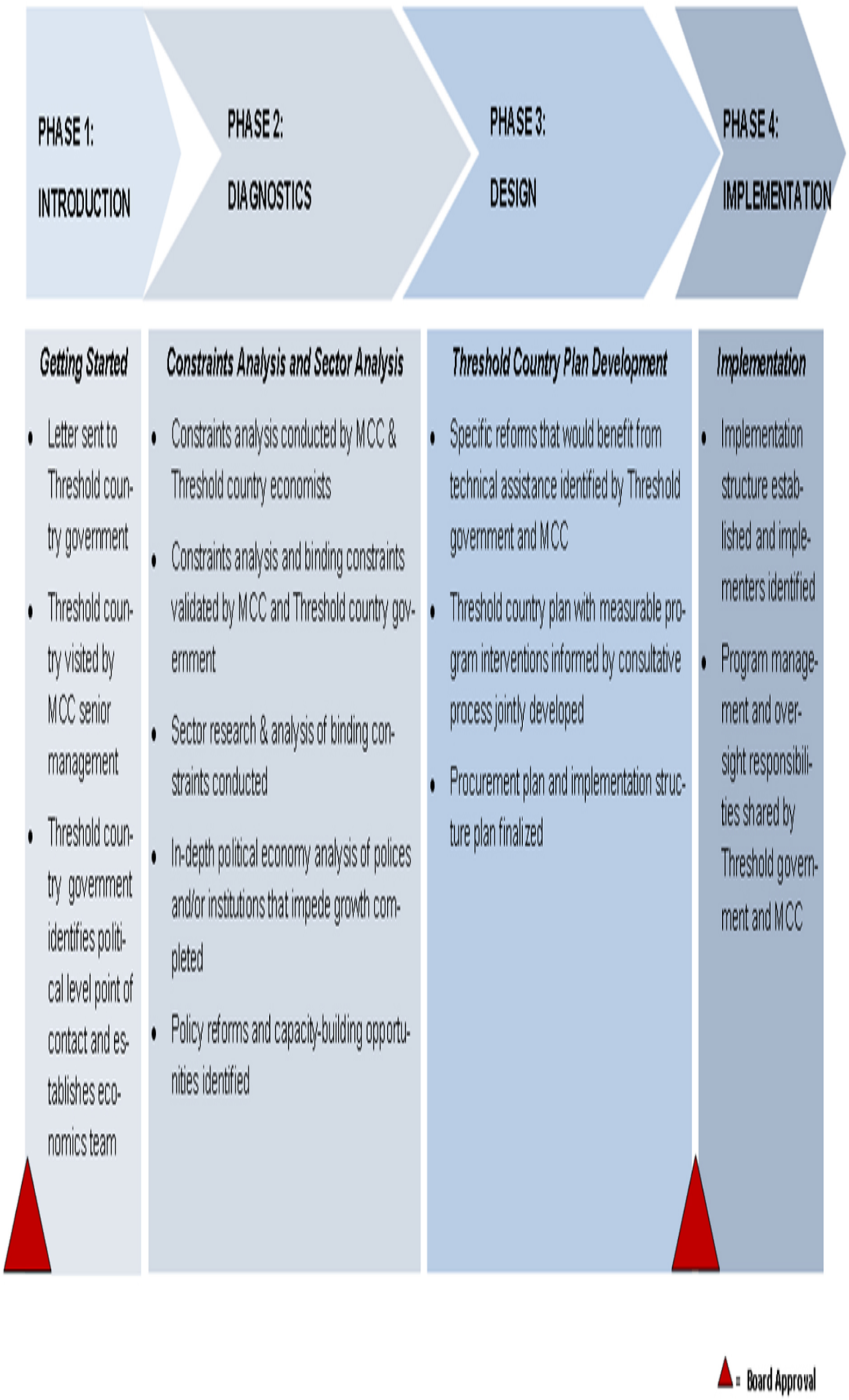
Sri Lanka

The MCC Board selected Sri Lanka in FY 2016 as eligible for threshold program assistance. Sri Lanka consistently passed the scorecard from FY 2011 through FY 2015. Though Sri Lanka failed the scorecard in FY 2016 due to failing the democratic rights indicators, this was largely due to the indicators reflecting events in 2014, and likely not yet capturing the democratic rights improvements following the 2015 elections. A threshold program investment is an opportunity to build on the positive political momentum in the country, and allows Sri Lanka the opportunity to further strengthen its scorecard performance. It also allows MCC the opportunity to work with the government on the country's ongoing efforts in policy reform.

Togo

The Board selected Togo in FY 2016 as eligible for threshold program assistance. Togo has shown consistent improvements on the MCC scorecard over the past three years. The Government of Togo formed a Committee for MCC Eligibility that has been strongly engaged with MCC to strategize and prioritize policy improvements. This includes modernizing the family code to provide equal rights for women and passing stronger legislation to fight corruption. As a result of increased engagement with MCC and the indicator institutions, Togo moved from passing five of 20 indicators in FY 2014 to 10 of 20 indicators in FY 2016. Togo's eligibility for threshold program assistance will allow MCC to engage with Togo on continued policy reform, as well as offer Togo an opportunity to further strengthen its scorecard performance.

Phases of Threshold Program Development



Compact Development and Oversight

Compact Development and Oversight (in millions of $)	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Request
Total Appropriation /Request	899.5	901.0	1,000.0
Compact Developm ent/Oversight	94.0	94.0	104.0
609(g) Assistance	19.0	19.0	22.0
Due Diligence	75.0	75.0	82.0

For FY 2017, MCC plans to use $22.0 million for assistance under section 609(g) of MCC's authorizing statute and $82.0 million for due diligence to support programmatic oversight, quality control, and other support for compacts in development and implementation, as well as post-completion work, such as data collection and evaluation. A detailed focus on pre-compact planning, program oversight, and post-compact evaluation is critical to the success of MCC program investments and to ensuring that MCC, partner countries, and the development community are able to take advantage of the learning opportunities inherent in MCC programs.

The higher funding level will be used to support compact development with existing partners as well as with the new partners selected in FY 2016: Côte d'Ivoire, Kosovo, and Senegal. It will also be used for oversight and monitoring of compacts in implementation, the number of which is growing, and for monitoring and evaluation activities around the Jordan Compact closeout in FY 2017.

The funding also will support MCC's oversight of threshold programs in implementation and the development of threshold programs with the new partners selected in December 2015, Sri Lanka and Togo, and partners that will be selected in December 2016.

609(g) Assistance

Although assistance provided under section 609(g) of MCC's authorizing statute represents less than three percent of MCC's overall request, this assistance is critical for compacts to succeed and for MCC to fulfill its goal of developing high-quality compacts more quickly. MCC uses 609(g) assistance for key project preparation work such as feasibility and environmental impact studies, engineering designs, baseline surveys, financial management and procurement technical assistance, and other specialized analysis to help MCC determine investment suitability, scope, costs, implementation risks, and necessary risk mitigation measures. Such analysis also enables partner countries to develop projects that will provide returns on MCC's investment and can be implemented within the fixed five-year timeframe.

Due Diligence

Due diligence funds allow MCC to obtain sufficient information to evaluate, assess, and appraise projects during compact development, effectively oversee and monitor compact implementation, and evaluate the results of a compact project once complete.

Due diligence funds also enable MCC to continue to operate on a lean administrative budget relative to the size and diversity of its investment portfolio. Rather than permanently hiring technical experts whose services might be underutilized depending on the mix of projects in MCC's portfolio at a given time, MCC uses due diligence funds to procure technical expertise needed to support compacts in development and implementation.

Due diligence funds support MCC's independent impact evaluations that use rigorous statistical methods to measure changes in beneficiary income related to MCC activities. In addition to offering valuable lessons on how MCC can improve, the impact evaluations provide encouraging news about program successes.

Due diligence funds also support the data and some of the technical expertise for calculating economic rates of return for compact investments. Economic modeling done after compact closeout helps to assess the cost effectiveness of MCC investments. Through pre-investment economic modeling of expected economic rates of return, MCC chooses which investments are most likely to generate benefits (increased income for program beneficiaries). MCC also estimates expected return rates at project closeout.

Administrative Expenses

(in millions of $)	FY 2015 Enacted*	FY 2016 Enacted	FY 2017 Request
Total Appropriation	899.5	901.0	1,000.0
Administrative Expenses Enacted/Request	105.0	105.0	108.4
Total Administrative Expenses	109.3	105.0	108.4
Human Capital	49.8	54.4	59.4
Training	1.6	1.6	1.6
Overseas Operations	9.2	13.8	14.6
Contracted Services	14.2	12.7	11.1
Information Technology	18.5	12.8	10.7
Rent, Leasehold & Improvements	9.0	2.2	3.5
Travel	6.5	7.0	7.0
Other Admin	0.5	0.5	0.5

* The FY 2015 column Total Administrative Expenses adds to $109.3 million due to use of prior year funding primarily to support the move to the new Franklin Court headquarters.

MCC employs a lean and efficient staff both in Washington and in partner countries. For FY 2017, the President's Budget requests $108.4 million for administrative expenses, a modest 3.2 percent increase from the administrative funding cap that has been in place for five fiscal years. The small increase is driven largely by: (1) MCC's greater staffing needs, due in part to the pace of compact signings; and (2) the growing cost of overseas operational support charges, including higher State Department-mandated ICASS costs and CSCS expenses required to maintain staff overseas. A detailed breakout of cost areas exerting upward pressure on the administrative expenses budget are discussed below.

Human Capital

MCC plans to use $59.4 million in FY 2017 for human capital, a $5.0 million or 9.2 percent increase from the FY 2016 level. The increase will enable MCC to: (1) keep pace with in-country staffing needs based on anticipated compact and threshold program development; (2) maintain its performance-based compensation system; and (3) optimize staffing levels for effective compact and threshold development and oversight and efficient use of taxpayer dollars.

Budgeted Full-Time Equivalents (FTE)*	FY 2015	FY 2016	FY 2017
Washington, D.C. Headquarters	300	315	330
Overseas	22	26	33
Total	322	341	363

* MCC estimates that up to 10 percent of the authorized positions above will be vacant at any given time due to turnover and budgets accordingly.

Overseas Operations

MCC plans to use $14.6 million for overseas operations in FY 2017. As discussed in the Human Capital section, MCC will support new in-country presences for 13 compacts and threshold programs during FY 2016 and FY 2017, driving much of the increase in Overseas Operations costs relative to the $9.2 million spent in FY 2015.

Starting-up such in-country presences means incurring costs for relocation travel, shipping, office furniture and equipment, residential furniture, official vehicles, and transfer allowances, among other expenses. As part of MCC's post-compact closeout process, MCC will be winding down only two sites (Moldova and Senegal) during FY 2016 and at least one site (Jordan) during FY 2017. The closings also will entail certain one-time costs, such as relocation charges for travel and shipping.

While MCC maintains a small in-country footprint of U.S. direct hire staff and three locally engaged staff for compacts, the cost of maintaining this staff continues to face upward pressure. ICASS and CSCS costs to support overseas staff are expected to face upward pressure, in part, due to the Department of State's need to maintain and operate newer embassy compounds. In FY 2015, the Department of State implemented its new Furniture and Appliance Pool Policy. Participation in overseas posts' furniture pools face significantly higher furniture buy-in costs and subsequently higher ICASS charges for MCC. However, MCC has successfully argued to date for an exemption of the annual assessment fee because of its short-term (less than seven years) presence in-country.

ICASS, CSCS, and other fixed overseas expenses result in an average annual cost of approximately $500,000 to maintain an MCC employee overseas at a U.S. Embassy. Such costs include office space, housing, support services, locally engaged staff, educational allowances and other family costs, home leave, in-country travel, consultation travel, medical evacuations, information technology support, relocation, storage of household effects, and security. That said, the lean MCC in-country presence is essential to successfully overseeing its investments in partner countries.

Rent

In the first quarter of FY 2016, MCC successfully moved headquarters staff into the Franklin Court property. The full-year rent payments for the new property are estimated to reach approximately $6.2 million in FY 2018.

- **In-Country Staffing:** Of the $5.0 million increase, $0.9 million is to keep pace with the in-country staffing needs based on anticipated compact and threshold program development.
    - The increase will support an uptick of MCC's in-country presences that will begin in FY 2016. In FY 2017, the requested funding will support the standard lean MCC in-country footprint of U.S. direct hires in new compacts with Lesotho, Mongolia, Nepal, and the Philippines, and will continue the overseas presences that will begin in FY 2016 for new compacts with Benin, Liberia, Morocco, Tanzania, and Niger. The requested funding also will continue one in-country MCC staffer each for the threshold programs with Guatemala and Sierra Leone and will begin in-country staffing for the threshold programs with Sri Lanka and Togo by the end of FY 2017.
    - The human capital budget must absorb not only the salaries and benefits of new in-country staff, but also State Department-determined pay differentials for cost-of-living and hardship.
- **Performance-Based Compensation System:** Of the $5.0 million increase, $1.6 million will support appropriate adjustments in MCC's performance-based compensation system, which MCC operates in lieu of the General Schedule system with its guaranteed cost-of-living and step increases. MCC is a performance-based organization, and MCC employees do not receive automatic pay raises when the General Schedule for pay overseen by the Office of Personnel Management is increased, nor do MCC employees receive step increases based on years of service. Employees must work at MCC at least 90 days before the end of the fiscal year to be eligible to receive performance merit increases based solely on the prior year's performance. Additionally, MCC provides a standard package of benefits that is commensurate with other U.S. Government entities. Based on prior years' actuals, total benefits for FY 2017 are expected to cost an average of 29 percent of salary.
- **Optimizing Staffing:** Of the $5.0 million increase, $2.5 million will support an additional 15 headquarters full time equivalents (FTE) as part of MCC's efforts to strengthen its workforce, optimize staffing levels for effective compact and threshold development and implementation oversight. This upward adjustment has become essential due to the onerous workload allocation across FTEs and contract support.
    - *Emerging Priorities Staffing:* MCC will increase FTE levels to: (1) be able to produce compacts faster and with consistent high quality; (2) pursue regional investments; and (3) bolster MCC's technical expertise in growth areas for the agency's portfolio, such as the power sector, leveraging of private finance, and resilience to climate change. Currently these emerging mission priorities are undertaken by staff in addition to their normal workloads, which is not sustainable.
    - *FTE/Contractor Rebalancing:* In FY 2016 and FY 2017, MCC will rebalance its FTE/contractor workforce composition by reducing contractor staff and increasing FTE counts by an equivalent amount. MCC's contract support plays an important role in carrying out critical mission functions. However, MCC analysis has found that certain contractor support is acquired at a premium relative to the cost of comparable federal employees (including benefits costs). A higher FTE level will allow the agency to in-source contractors that perform enduring functions and replace them with less expensive competitively-hired federal employees. Contractor positions will be considered for in-sourcing based on the timing of existing contracts and the agency's ability to on-board replacement staff.

- *Making Use of Term-Limited Hiring:* MCC's continuously shifting portfolio in terms of both geographic presence and the types of projects undertaken necessitates relying on a flexible workforce with changing skill sets. Accordingly, to supplement the increased FTE levels, MCC will make use of term-limited hiring to efficiently provide the necessary flexibility to meet changing portfolio demands. Hiring new term-limited staff when appropriate and based on the availability of funding will enable MCC to cost-effectively address emerging mission needs while not locking the costs of permanent FTEs into the budget.

Inspector General

(in millions of $)	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Request
Total Appropriation /Request	899.5	901.0	1,000.0
Office of the Inspector General	5.0	5.0	5.0

The Office of the Inspector General is requesting $5.0 million for audit expenses in FY 2017.

The USAID Office of the Inspector General will continue to conduct financial and performance audits and reviews of MCC and Millennium Challenge Account entity activities, as well as oversee and review MCC's annual external audit.

Proposed Legislative Changes

Using Concurrent MCC Compacts to Advance Regional Economic Integration

MCC is seeking to change the Millennium Challenge Act of 2003, as amended, to allow for concurrent compact authority in order to maximize the economic impact of its work through regional investments. Concurrent compacts would allow MCC to complement its proven country-focused model with the ability to develop regionally-oriented investments. MCC will be able to simultaneously research and work with multiple eligible countries in a region to identify, negotiate, and eventually fund investments that would have positive economic impact both for each country as well as the region.

Concurrent compact authority would allow key steps—such as economic analysis, project identification, due diligence, negotiation, agreement, and implementationwith each individual country involved to occur on a simultaneous timeline, which is critical to effecting successful regional investments.

Text of change is as follows:

SEC. X. MILLENNIUM CHALLENGE COMPACT

a. CONCURRENT COMPACTS.—Section 609 of the Millennium Challenge Act of 2003 ((22 U.S.C. 7708)) is amended—
   1. by striking the first sentence of subsection (k); and
   2. by inserting after subsection (k) the following new subsection:
      "(l) CONCURRENT COMPACTS.—In accordance with the requirements of this title, an eligible country and the United States may enter into and have in effect more than one Compact at any given time, including a concurrent Compact for purposes of regional economic integration or cross-border collaborations, only if the Board determines that the country is making considerable and demonstrable progress in implementing the terms of the existing Compact and supplementary agreements thereto.

b. CONFORMING AMENDMENTS.—
   1. Section 609(b)(1) of such Act (22 U.S.C. 7708(b)(1)) is amended by striking "the eligible country" and inserting "each eligible country or regional development strategy in the case of regional investments"; and by striking "the" and inserting "each" before "country" in subsections 609(b)(1)(A), (B), (E) and (J);
   2. Section 609(b)(3) of such Act (22 U.S.C. 7708(b)(3)) is amended by inserting after "national development strategy" "or regional development strategy" and by inserting after "government of the country" "or governments of the countries in the case of regional investments";
   3. Section 613(b)(2)(A) of such Act (22 U.S.C. 7712(b)(2)(A)) is amended by striking "the" before "Compact" and inserting "any".

Changes to Appropriations Language

The Consolidated Appropriations Act, 2016 included four provisos which may appear in the FY 2017 appropriations bill and should be adjusted or stricken.

Provided further, **That up to 5 percent of the funds appropriated under this heading may be made available to carry out the purposes of section 616 of the MCA for fiscal year 2016**
The Millennium Challenge Act of 2003, as amended, allows for up to 10 percent of appropriated funds to be used for threshold program assistance under section 616. Restoring the 10 percent cap allows the agency more flexibility in selecting countries for such assistance and developing robust threshold programs.

Provided further, **That no country should be eligible for a threshold program after such country has completed a country compact**
In cases where there has been significant political or governance changes since MCC's previous compact, threshold program assistance may be more appropriate than either a subsequent compact or no engagement. Removing this restriction would allow more flexibility to select countries at the appropriate level of assistance and "test the waters" before a subsequent compact.

Provided further, **That none of the funds made available by this Act or prior Acts making appropriations for the Department of State, foreign operations, and related programs shall be available for a threshold program in a country that is not currently a candidate country**
This proviso restricts MCC's authorities under the Millennium Challenge Act.

Provided further, **That publication in the Federal Register of a notice of availability of a copy of a Compact on the Millennium Challenge Corporation Web site shall be deemed to satisfy the requirements of section 610(b)(2) of the MCA for such Compact**
This proviso enables MCC to avoid the administrative burden and expense of publishing the full text of compacts in the Federal Register. MCC requests similar authority regarding the requirement to publish quarterly reports pursuant to section 612 of the MCA. MCC can fulfill the requirement to provide the public with this information by disseminating the quarterly reports on its Web site and other appropriate platforms. MCC proposes that the proviso reads as follows: "Provided further, That publication in the Federal Register of a notice of availability of a copy of a Compact on the Millennium Challenge Corporation Web site shall be deemed to satisfy the requirements of section 610(b)(2) of the MCA for such Compact, and posting the information required by section 612(a) on the Corporation Web site shall be deemed to satisfy the requirements of section 612(b)."

Compact Signing Amounts and Key Dates (in millions of $)*

Partner Country	Sub-Saharan Africa	Europe, Asia and Pacific	Middle East and N. Africa	Latin America	Signing	Entry Into Force	Closed Dates
Madagascar	109.8				4/18/2005	7/27/2005	8/31/2009
Honduras				215.0	6/13/2005	9/29/2005	9/29/2010
Cabo Verde	110.1				7/4/2005	10/17/2005	10/17/2010
Nicaragua				175.0	7/14/2005	5/26/2006	5/26/2011
Georgia, 2005		395.3			9/12/2005	4/7/2006	4/7/2011
Benin, 2006	307.3				2/22/2006	10/6/2006	10/6/2011
Vanuatu		65.7			3/2/2006	4/28/2006	4/28/2011
Armenia		235.7			3/27/2006	9/29/2006	9/29/2011
Ghana, 2006	547.0				8/1/2006	2/16/2007	2/16/2012
Mali	460.8				11/13/2006	9/17/2007	8/24/2012
El Salvador, 2006				460.9	11/29/2006	9/20/2007	9/20/2012
Mozambique	506.9				7/13/2007	9/22/2008	9/22/2013
Lesotho, 2007	362.6				7/23/2007	9/17/2008	9/17/2013
Morocco, 2007			697.5		8/31/2007	9/15/2008	9/15/2013
Mongolia		284.9			10/22/2007	9/17/2008	9/17/2013
Tanzania,	698.1				2/17/200	9/17/200	9/17/201

Partner Country	Sub-Saharan Africa	Europe, Asia and Pacific	Middle East and N. Africa	Latin America	Signing	Entry Into Force	Closed Dates
2008					8	8	3
Burkina Faso	480.9				7/14/2008	7/31/2009	7/31/2014
Namibia	304.5				7/28/2008	9/16/2009	9/16/2014
Senegal	540.0				9/16/2009	9/23/2010	9/23/2015
Moldova		262.0			1/22/2010	9/1/2010	9/1/2015
Philippines, 2010		433.9			9/23/2010	5/25/11	
Jordan			275.1		10/25/2010	12/13/11	
Malawi	350.7				4/7/2011	9/20/2013	
Indonesia		600.0			11/19/2011	4/2/2013	
Cabo Verde, 2012	66.2				2/10/2012	11/30/2012	
Zambia	354.8				5/10/2012	11/15/2013	
Georgia, 2013		140.0			6/26/2013	7/1/2014	
Ghana, 2014	498.2				8/5/2014	1/20/2016	
El Salvador, 2014				277.0	9/30/2014	9/9/2015	
Benin, 2015	375.0				9/9/2015		
Liberia	256.7				10/2/2015		
Morocco, 2015			450.0		11/30/2015		

* Please note that the values above are the signed compact amounts and do not reflect lower actual expenditures due to early terminations or funds for a compact not being fully spent. The table on the next page reflects the net obligations/commitments associated with each compact.

Compact Obligations/Commitments by Year Appropriated as of December 2015 ($ millions)*

Obls./Commitments	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Armenia		177													177
Benin 2006		302													302
Benin 2015										207		168			375
Burkina Faso					475										475
Cape Verde 2005	109														109
Cape Verde 2012									66						66

Obls./Commitments	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
El Salvador 2006			362	88											450
El Salvador 2014				8					109	160					277
Georgia 2005	290	24		17	56										387
Georgia 2013									140						140
Ghana 2006		536													536
Ghana 2014			17							283	198				498
Honduras	204														204
Indonesia		55						545							600
Jordan						55	220								275
Les				358											358

Obls./Commitments	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**Total**
otho 2007															
Liberia												257			257
Madagascar	86														86
Malawi							210	141							351
Mali			436												436
Moldova	91	16	8	1	9	87	50								262
Mongolia 2007				269											269
Morocco 2007		72	578												650
Morocco 2015			3	14	14	21	8	51	3	1	169	166			450
Mozambique				448											448
Namibia				219	76										296

Obls./Commitments	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Nicaragua	113														113
Philippines 2010							434								434
Senegal						516									516
Tanzania 2008					695										695
Vanuatu		65													65
Zambia									355						355
Planned															
Lesotho 2017	0	15		5	4	30	1	2	7	6	8	13	97	22	210
Mongolia 2017				7		16			58	10	100	69			260

Obls./Commitments	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Nepal														301	301
Niger				58									392		450
Philippines 2017														430	430
Senegal						(51)									(51)
Tanzania 2016			53	14			18				210		178		473
Total	892	1,262	1,457	1,506	1,328	674	941	739	738	667	685	673	667	753	12,982

* Please note that the values above are the signed compact amounts and do not reflect lower actual expenditures due to early terminations or funds for a compact not being fully spent. The table on the next page reflects the net obligations/commitments associated with each compact.

Threshold Program Signing Amounts (in millions of $)

Country	Sub-Saharan Africa	Eurasia	Latin America	Middle East and N. Africa	Signing Date	Completion Date
Burkina Faso	12.9				7/22/2005	9/30/2008
Malawi	20.9				9/23/2005	9/30/2008

Country	Sub-Saharan Africa	Eurasia	Latin America	Middle East and N. Africa	Signing Date	Completion Date
Albania, 2006		13.9			4/3/2006	11/15/2008
Tanzania	11.2				5/3/2006	12/30/2008
Paraguay, 2006			34.6		5/8/2006	8/31/2009
Zambia	22.7				5/22/2006	2/28/2009
Philippines		20.7			7/26/2006	5/29/2009
Jordan				25.0	10/17/2006	8/29/2009
Indonesia		55.0			11/17/2006	12/31/2010
Ukraine		44.5			12/4/2006	12/31/2009
Moldova		24.7			12/14/2006	2/28/2010
Kenya	12.7				3/23/2007	12/31/2010
Uganda	10.4				3/29/2007	12/31/2009
Guyana			6.7		8/23/2007	2/23/2010
Sao Tome & Principe	8.7				11/9/2007	4/15/2011
Kyrgyz Republic		16.0			3/14/2008	6/30/2010
Niger	23.1				3/17/2008	12/31/2015
Peru			35.6		6/9/2008	9/30/2012
Rwanda	24.7				9/24/2008	12/31/2011
Albania, 2008		15.7			9/29/2008	7/31/2011
Paraguay, 2009			30.3		4/13/2009	7/31/2012
Liberia	15.1				7/6/2010	12/1/2013
Timor-		10.5			9/22/2010	3/31/2014

Country	Sub-Saharan Africa	Eurasia	Latin America	Middle East and N. Africa	Signing Date	Completion Date
Leste						
Honduras			15.6		8/29/2013	In progress
Guatemala			28.0		4/8/2015	In progress
Sierra Leone	44.4				11/17/2015	In progress

Results of Recently Closed Compacts – Moldova and Senegal

Moldova

The $262 million Moldova Compact aimed to reduce poverty and accelerate economic growth by enabling improved agricultural productivity and expanding access to markets and services through critical infrastructure investments in the irrigation and road sectors, and capacity building in the high-value agriculture sector. The compact focused on transitioning farmers from grains and cereals to higher-value crops like fruits and vegetables, as well as the rehabilitation of a 59.7-mile stretch of road connecting Sarateni and Soroca in the country's north.

Moldova

Policy Reforms	**Road Rehabiliation Project** • Annual road maintenance funding increased by 64 percent between 2010 and 2015, respectively. **Transition to High-Value Agriculture Project** • Enactment of Water Law and implementing regulations; law aligns water management with European Union standards. • Ministry of Environment implementing River Basin Management Plans for the Nistru & Prut Rivers. • 11 Water Users Associations created with over 7,350 members, 2,800 (more than 38 percent) are women. • Enactment of Water Users Association Law; allows asset management transfer of irrigation systems to water users associations.

Outputs	**Road Rehabilitation Project** • A 59.7-mile segment of the M2 highway between the Sarateni junction and Soroca was completed in September 2014, on time and with a savings of approximately $21 million. • The project also included about $2.5 million in small community infrastructure improvements in towns and villages along the road, including about 20 km of paved access roads to schools, wells and community facilities. • The project also includes an extension of the M2 road to the Soroca Fire & Rescue Station and yard works at the station. **Transition to High-Value Agriculture Project** • 10 irrigation systems were completely rehabilitated, with construction completed prior to the September 1, 2015 compact end-date, covering more than 11,500 hectares of farmland. • Farmers also received training and the necessary equipment to make use of and manage the rehabilitated irrigation systems. • Under the joint USAID/MCC Growing High-Value Agriculture Sales Activity, at least 6,569 farmers were trained and at least $29,954,859 in sales of high-value produce was facilitated, in part, by funding the participation of Moldovan exporters in international fruit expos.

Preliminary and Expected Outcomes	**Road Rehabilitation Project** • The rehabilitated road is expected to reduce the cost and time required to transport goods and services to market. **Transition to High-Value Agriculture Project** • Part of the Moldova compact was a $17 million credit program targeting the high-value agriculture chains. One part of this activity was a credit program that funded post-harvest infrastructure like cold storage that will help Moldovan produce reach and compete in export markets. • The second part of the credit program was an equipment leasing activity that supplied equipment leases (hire-purchases) to farmers so they could invest in on-farm irrigation and other equipment necessary for growing high-value crops. Credit was approved for approximately 140 farmers and groups of farmers, and the revolving nature of these funds is designed to have an impact over the coming years beyond the invested $17 million.

Evaluations	**Road Rehabilitation Project** • MCC expects to contract an independent evaluator to: (i) determine the post-compact ERR using HDM-4 analysis, (ii) assess the road maintenance regime, (iii) analyze the composition of road users, and (iv) assess the transportation market structure. The evaluation is scheduled to be conducted in Fall 2017, after a 3-year exposure period, with a final report to be submitted in 2018. **Transition to High-Value Agriculture Project** • The main goal of the evaluation of the THVA Project is to determine the extent, if any, to which the various activities improved the productivity and profitability of farm operations in the rehabilitated CIS and Extension areas. The baseline Farm Operator Survey (FOS) took place in 2014, covering the 2013 agricultural season. Two follow-up rounds for the FOS are scheduled: the first in 2019, covering the 2018 agricultural season; and the final in 2021, covering the 2020 agricultural season. The AAF survey was conducted in 2015 and covered both past and planned investments. Four rounds of qualitative data collection have been completed, and three additional rounds are planned between 2017 and 2022.

Senegal

The $540 million compact with Senegal aimed to boost economic growth by unlocking the country's agricultural productivity and expanding access to markets and services through investments in roads and irrigation networks. The two primary compact projects, roads rehabilitation and irrigation and water resource management, were geographically focused in the Senegal River Valley in the north and the Casamance region in the south. The compact priorities were identified to align to the country's long-term objectives of enhancing economic growth and food security.

Senegal

Policy Reforms	**Road Rehabilitation Project** • In Year 4, MCC and the Government of Senegal (GoS) redrafted the Road Project Condition Precedent (CP) that was meant to reduce the funding gap for road maintenance. The revised CP more clearly articulated expectations for the GoS to put in place needed planning, funding and management related to road network maintenance via an action plan. By compact end, the GoS had achieved the deliverables set forth in the action plan and showed significant progress on reinforcement of road maintenance planning and spending management that will ultimately reduce overall user costs and promote economic growth. **Irrigation and Water Resource Management** • The irrigation CP that required the GoS to put in place an action plan for improved irrigation maintenance was met on time, but demonstration of compliance was at times late and lacking in quality. By Year 5, the GoS showed very positive improvement on key components, notably the implementation of sound maintenance programming based on use of a hydraulic model and multi-year funding. The first application of this methodology was seen in 2015, Year 5 of the Compact.

<table>
<tr><td>Outputs</td><td>Road Rehabilitation Project

• 121 km of the National Road 2 (RN2) and the Ndioum Bridge were rehabilitated from Richard Toll to Ndioum in northern Senegal, along the intervention zones of the Irrigation and Water Resources Management Project.
• In the South (originally 252 km from Ziguinchor to Kounkané), 64 km of the National Road 6 (RN6) from Kolda to Kounkané were fully rehabilitated and the Kolda Bridge.
• An additional 72 km section of the RN6 from Tanaff to Kolda was fully paved.
• The remaining 116 km section of RN6 from Ziguinchor to Tanaff is to be completed by the Government of Senegal by mid-2016.

Irrigation and Water Resource Management

• In the Delta zone, 17 water control structures were constructed along with 229 km of irrigation and drainage canal rehabilitation and expansion benefitting 35,480 hectares of agriculture land.
• In addition, the project rehabilitated a water control gate for the downstream reservoir serving the city of St. Louis' water supply.
• In Ngalenka (Department of Podor), 450 hectares of new irrigated perimeters with total water control were constructed.
• 8,655 households in total received land use rights titles corresponding to 15,246 hectares as part of the land tenure security activity of the project.</td></tr>
<tr><td>Preliminary and Expected Outcomes</td><td>Road Rehabilitation Project

By 2029, the compact is anticipated to help improve the living conditions of 1.55 million people, which represents approximately 138,000 households, including 102,000 households in the Casamance region and 36,000 others in northern Senegal.

• Rehabilitation of the RN2, which is a strategic link between Senegal and neighboring countries of Mauritania and Mali, and the construction of the Ndioum Bridge will stimulate internal and cross border trade and transport of farming products, goods and services from the irrigated areas along the Senegal River Valley.
• As a result of more than three decades of conflict, certain areas and farmlands in the Casamance have</td></tr>
</table>

been abandoned. The rehabilitation of the RN6 and the Kolda Bridge will open up the southern part of Senegal and promote economic activity by easing trade and transportation of local farming products and other goods and services between the Casamance and other regions in Senegal and neighboring countries.

- Over the next 20 years, an additional 102,000 households (about 1.1 million people) are expected to directly benefit from the entire road project activity.

Irrigation and Water Resource Management

- Investments in the Delta zone and, the rice production heartland of Senegal, are expected to increase the volume of irrigable water and expand cropping intensity on land previously at risk of abandonment due to soil salinization and insufficient water flows.
- Farmers anticipate expansion of their rice, tomato, onion and other market vegetable cultivation in the fertile Senegal River Valley.
- The Land Tenure Security Activity assisted project beneficiaries in receiving rights to their parcels, and to mitigate potential conflicts that often result from increased land values in irrigated areas.
- In addition, the land activity developed and implemented transparent, fair and efficient processes for land allocation to promote equitable and secure access to land in the intervention zones.
- Over the next 20 years, the irrigation investments are expected to benefit over 260,000 Senegalese, with a total estimated increase in household income of approximately $345 million.

Evaluations	**Road Rehabilitation Project** • MCC will contract an independent evaluator to: (i) determine the post-compact economic rate of return using HDM-4 analysis, (ii) assess the road maintenance regime, (iii) analyze the composition of road users, and (iv) assess the transportation market structure. The evaluation is scheduled to be completed in Fall 2018, after a 3-year exposure period, with a final report to be submitted in 2019. **Irrigation and Water Resource Management** • MCC will contract an independent evaluator to assess the impacts of the irrigation project on household income, agricultural productivity, and land tenure security. The evaluation is anticipated to be completed in 2018 after a 3-year exposure period, with a final report to be submitted in 2019.

Compact Modifications

MCC employs a risk-based approach to the management of its foreign assistance portfolio and uses a number of mechanisms for managing projects that face potential major modifications, including:

- Quarterly portfolio reviews of all compacts, with a focus on high-risk projects and activities;
- Early identification of high-risk projects;
- Close collaboration with partner countries to develop plans to prevent, mitigate and manage project restructuring; and
- Approval of modifications at the appropriate level.

MCC has also refined its compact development process to conduct adequate due diligence on programs in advance of compact signing to increase the reliability of technical, cost, and other estimates. During compact development MCC also makes project design modifications to mitigate potential completion risk, currency fluctuations and the potential for construction cost overruns.

Summary of Restructurings and Reallocations in FY 2015

Country	Project	Programmatic Change	Description
Philippines	Kalahi-CIDSS Project Secondary National Roads Development Project	Addition to Kalahi-CIDSS subprojects ($12 million), and Secondary National Roads Development	In July 2015, MCC approved an aggregate reallocation of $23 million from total

Country	Project	Programmatic Change	Description
		Project ($11 million) and reduction in scope of Revenue Administration Reform Project's Electronic Tax Information System (eTIS) sub-activity and compact savings ($23 million).	anticipated compact savings, of which up to $12 million was used to fund additional Kalahi-CIDSS subprojects, and up to $11 million would be used to cover a projected budget shortfall on the Secondary National Roads Development Project. These reallocations were to balance a reduction in scope of the Revenue Administration Reform Project's Electronic Tax Information System (eTIS) sub-activity, and savings in program management and oversight.

Estimating Compact Beneficiaries and Benefits

Under MCC's results framework, beneficiaries are defined as an individual and all members of his or her household, who will experience an income gain as a result of MCC interventions. MCC considers that the entire household will benefit from the income gain and counts are multiplied by the average household size in the area or country. The beneficiary standard makes a distinction between individuals participating in a project and individuals expected to increase their income as a result of the project. Before signing a compact, MCC estimates the expected long-term income gains through a rigorous benefit-cost analysis. MCC may reassess and modify its beneficiary estimates and/or the present value of benefits when project designs change during implementation.

Compact [1 2]	Estimated Number of Beneficiaries	Estimated Long Term Income Gain Over the Life of the Project (PV of Benefits) [3]
Armenia	428,000	$295,500,000
Benin	14,059,000	$409,600,000
Burkina Faso	1,181,000	$151,000,000
Cape Verde 2005	385,000	$149,500,000
Cape Verde 2012	604,000	$112,900,000
El Salvador	706,000	$377,800,000
Georgia 2005	143,000	$301,300,000
Georgia 2013	1,770,000	$338,000,000
Ghana	1,217,000	$690,300,000
Honduras	1,705,000	$237,300,000
Indonesia1	1,700,000	$217,000,000
Jordan	3,000,000	$398,900,000
Lesotho	1,041,000	$485,000,000
Madagascar	480,000	$123,200,000
Malawi	983,000	$567,200,000
Mali	2,837,000	$393,600,000
Moldova	414,000	$259,900,000
Mongolia	2,058,000	$314,800,000
Morocco	1,695,000	$805,400,000
Mozambique	2,685,000	$288,900,000
Namibia	1,063,000	$310,400,000
Nicaragua	119,000	$83,500,000
Philippines	125,822,000	$483,300,000
Senegal	1,550,000	$625,000,000
Tanzania	5,425,000	$1,474,000,000
Vanuatu	39,000	$73,800,000
Zambia	1,230,000	$283,300,000
Total [4]	174,339,000	$10,250,300,000

Sectors Results At A Glance: By The Numbers

Numbers are cumulative over the 11 years since the agency's founding in 2004, and current as of September 2015.

All developing countries face significant challenges in many sectors. The first step in MCC's process–once a country is selected as eligible–is to work with partner country officials to conduct a rigorous, joint economic analysis to identify the most binding constraints to economic growth. The results help to prioritize MCC's investments in the areas that are the biggest impediments to private investment and poverty reduction. These may include access to credit, governance, power, transportation, and education, among other priority areas. The constraints are different for each country and ultimately drive our investment strategy. Below are highlights of MCC's sector investments that have emerged from this analysis.

Power

2,675 miles of electricity lines completed
MCC works with partner countries to build key power infrastructure and implement complementary reforms to improve their power sectors. For example, during the second year of compact implementation, Malawi's power utility, ESCOM, received technical assistance to improve its performance. In Ghana, the government took significant steps to invite private-sector participation in its power sector by issuing a request for expression of interest in the concession of the Electricity Company of Ghana. In Benin, MCC signed a compact to fund infrastructure in generation and distribution as well as off-grid projects while also strengthening Benin's national utility.

Transportation

1,787 miles of roads completed
647 additional miles of roadway under construction
In FY 2015, an 18 percent increase in MCC-funded miles of roadway relative to the previous year brought the estimated total to 1,787 miles. In Moldova, the MCC-funded Road Rehabilitation Project rebuilt close to 60 miles of road connecting apple orchards and fruit producers in the north to markets of Chisinau, central Moldova and beyond. All construction met high quality and environmental standards with enhanced safety features.

- In the Philippines, the first 10-mile section of the Secondary National Road Project in the Samar and Eastern Samar provinces was completed. The Philippines roads are designed and built to be resilient to the effects of a changing climate and the work includes the rehabilitation and replacement of 60 bridges, rebuilding of major drainage structures, and remediation of dozens of landslides in the provinces.
- In Senegal, the rehabilitation and widening of 115 miles of two existing critically important national roads is expected to significantly reduce transport costs for passengers and goods.

Water And Sanitation

7.02 million people are estimated to benefit from improved water systems, and approximately 2.27 million people benefit from improved sanitation

MCC supports transformative policy and institutional reforms to improve the level and quality of water and sanitation services in partner countries. With MCC funding, the Government of Cabo Verde created a new national regulator and improved the legal and policy framework for the water and sanitation sector. MCC supported the creation of Aguas de Santiago, a water and sanitation company on Cabo Verde's largest island. In addition, MCC helped mobilize additional donor funding from the Public-Private Infrastructure Advisory Facility to help corporatize water utility on the islands of Santo Vicente and São Nicolau.

Agriculture And Irrigation

275,094 farmers trained

300,962 acres under improved irrigation

MCC works with partner countries on policies and procedures to better manage water resources used for agricultural production. Without appropriate water resource management, crops are subject to floods and droughts, creating drastic price and yield fluctuations. Ten centralized irrigation systems covering over 11,500 hectares were rebuilt through the Moldova Compact, and Water Users Associations were formed and its members trained to manage their operations and maintenance. A farmer training program in high-value crop production and an agricultural finance program also contributed to the growth and modernization of Moldova's high-value agriculture sector.

Land

311,785 household, commercial, and legal entities have legal land protections

MCC's work with partner countries on complex land institutional and policy reforms focuses activities at the regional and local levels to protect property rights and to stimulate private-sector investment. In Senegal, MCC's investment in large-scale irrigation in the Senegal River Valley was coupled with activities to secure land rights, improve community-level land management, and mitigate the risk of land conflict amid increasing land values. Nine communes received improved land management tools, including computerized land information systems, land rights registries, updated land occupation and management plans, and training of land conflict mediation committees. Each commune developed transparent land allocation principles and criteria with the active participation of all local stakeholders, resulting in unprecedented levels of increased access to irrigated land for women and other relatively land-poor farmers.

Education

746 educational facilities constructed or rehabilitated

4,407 instructors trained

215,242 students participated in MCC-supported education activities

62,211 graduates from MCC-supported education activities

MCC works with partner countries to identify challenges in the education sector and develop solutions that help lead to a skilled and productive workforce.

- For example, in Georgia, Ilia State University, Georgian Technical University, and Tbilisi State University accepted its first freshman class for three new MCC-funded bachelor degree science programs launched in partnership with San Diego State University in chemistry/bio-chemistry, electric engineering and computer engineering. MCA-Georgia also selected 29 organizations to submit full proposals to a facility designed to make up to $8.8 million in grants to public and private TVET providers to partner with and secure co-financing from local and international industry to support science, engineering and technology-oriented workforce skills.
- More than $10 million in grants was awarded by MCA-Indonesia through the Green Knowledge Program to capture and disseminate new knowledge for the low-carbon economy generated by interaction among public and private sector stakeholders. The investment also supports green skills such as carbon mitigation planning, farming and agriculture waste management, and coastal resource management for governments and citizens in the communities targeted by the Green Prosperity Project. The $332.5 million project is designed to increase productivity and reduce reliance on fossil fuels by expanding renewable energy, improving land use practices and management of natural resources.

Health

More than 2,000 service providers trained to improve nutrition among children in 5,300 villages
Where national growth is potentially stymied by poor health, MCC investments can help governments make critical, cost-effective health services available where they have the most potential to make a difference in enhancing the quality of life, leading to greater productivity and economic growth. MCC committed more than $130 million to improve nutrition and health in Indonesia. Activities in the Indonesia Compact are improving awareness of maternal and infant feeding practices, and illness prevention, as well as access to proper nutrition and health care services. In Indonesia, MCC partners with the World Bank to provide grants to communities to improve health and education indicators. In 2014, an average of 13 cases of underweight children and eight cases of malnutrition among pregnant women were resolved per village, and on average, 178 women and infants per village received parenting or nutritional counseling using community grant funds.

Agriculture and Irrigation Common Indicators:

		Process Indicators	Output Indicators	Outcome Indicators

Country	Region	(AI-1) Value of signed irrigation feasibility and design contracts (USD)	(AI-2) Percent disbursed of irrigation feasibility and design contracts	(AI-3) Value of signed irrigation construction contracts (USD)	(AI-4) Percent disbursed of irrigation construction contracts	(AI-5) Temporary employment generated in irrigation	(AI-6) Farmers trained	(AI-7) Enterprises assisted	(AI-8) Hectares under improved irrigation	(AI-9) Loan borrowers	(AI-10) Value of agricultural and rural loans (USD)	(AI-11) Farmers who have applied improved practices as a result of training	(AI-12) Hectares under improved practices as a result of training	(AI-13) Enterprises that have applied improved techniques
MCC Total		51,925,328	87.3%	698,425,169	90.2%	6,908	275,094	4,217	121,795	1,192	86,151,395	126,210	34,947	1,004
EAPLA Total		10,686,574	93.0%	190,892,731	88.1%	2,975	83,699	1,591	1,682	1,096	65,491,633	56,114	-	406
AFRICA Total		41,238,754	85.8%	507,532,438	90.9%	3,933	191,395	2,626	120,113	96	20,659,762	70,096	34,947	598
Armenia	EAP LA	4,601,073	100.0%	106,653,443	100.0%	2,389	45,639	227	-	1,008	13,133,200	26,424	-	178
El Salvador		-	-	-	-	-	15,363	281	-	29	4,598,748	11,520	-	163
Georgia		1,155,881	53.4%	-	-	-	-	291	-	-	19,880,003	-	-	-
Hondur		-	-	-	-	-	7,265	464	400	-	17,100,	6,996	-	-

		Process Indicators					Output Indicators					Outcome Indicators		
Country	**Region**	**(AI-1) Value of signed irrigation feasibility and design contracts (USD)**	**(AI-2) Percent disbursed of irrigation feasibility and design contracts**	**(AI-3) Value of signed irrigation construction contracts (USD)**	**(AI-4) Percent disbursed of irrigation construction contracts**	**(AI-5) Temporary employment generated in irrigation**	**(AI-6) Farmers trained**	**(AI-7) Enterprises assisted**	**(AI-8) Hectares under improved irrigation**	**(AI-9) Loan borrowers**	**(AI-10) Value of agricultural and rural loans (USD)**	**(AI-11) Farmers who have applied improved practices as a result of training**	**(AI-12) Hectares under improved practices as a result of training**	**(AI-13) Enterprises that have applied improved techniques**
as											000			
Indonesia		-	-	-	-	-	-	-	-	-	-	-	-	-
Moldova		4,929,620	95.7%	84,239,288	73.0%	586	6,328	328	1,282	59	10,779,682	2,070	-	65
Nicaragua		-	-	-	-	-	9,104	-	-	-	-	9,104	-	-
Burkina Faso	AFRICA	17,268,474	74.8%	74,339,448	95.3%	2,414	12,307	278	2,240	96	2,802,000	8,237	3,369	28
Cabo Verde I		-	-	5,167,848	97.6%	-	553	-	13	-	617,000	106	-	-
Ghana		5,202,887	100.0%	13,009,963	100.0%	-	66,930	1,724	514	-	16,740,762	59,060	-	535

		Process Indicators					Output Indicators					Outcome Indicators		
Country	**Region**	**(AI-1) Value of signed irrigation feasibility and design contracts (USD)**	**(AI-2) Percent disbursed of irrigation feasibility and design contracts**	**(AI-3) Value of signed irrigation construction contracts (USD)**	**(AI-4) Percent disbursed of irrigation construction contracts**	**(AI-5) Temporary employment generated in irrigation**	**(AI-6) Farmers trained**	**(AI-7) Enterprises assisted**	**(AI-8) Hectares under improved irrigation**	**(AI-9) Loan borrowers**	**(AI-10) Value of agricultural and rural loans (USD)**	**(AI-11) Farmers who have applied improved practices as a result of training**	**(AI-12) Hectares under improved practices as a result of training**	**(AI-13) Enterprises that have applied improved techniques**
Madagascar		–	–	–	–	–	31,366	324	–	–	–	1,892	–	1
Mali		9,077,220	98.2%	148,951,503	98.3%	–	1,308	–	97,503	–	500,000	801	–	–
Morocco		–	–	111,353,027	99.0%	–	40,863	114	19,393	–	–	–	31,578	34
Mozambique		–	–	–	–	–	28,830	186	–	–	–	–	–	–
Namibia		–	–	–	–	–	9,238	–	–	–	–	–	–	–
Senegal		9,690,173	86.3%	154,710,649	75.0%	1,519	–	–	450	–	–	–	–	–
Gender*														

		Process Indicators					Output Indicators					Outcome Indicators		
Country	**Region**	**(AI-1) Value of signed irrigation feasibility and design contracts (USD)**	**(AI-2) Percent disbursed of irrigation feasibility and design contracts**	**(AI-3) Value of signed irrigation construction contracts (USD)**	**(AI-4) Percent disbursed of irrigation construction contracts**	**(AI-5) Temporary employment generated in irrigation**	**(AI-6) Farmers trained**	**(AI-7) Enterprises assisted**	**(AI-8) Hectares under improved irrigation**	**(AI-9) Loan borrowers**	**(AI-10) Value of agricultural and rural loans (USD)**	**(AI-11) Farmers who have applied improved practices as a result of training**	**(AI-12) Hectares under improved practices as a result of training**	**(AI-13) Enterprises that have applied improved techniques**
Female						227	50,314	106		121	924,102	17,497		19
Male						4,292	118,666	408		1,063	12,657,580	39,858		74

All program data are as of September 10, 2015. Data are preliminary and subject to adjustment.† All financial data is of June 10, 2015. Grey shading indicates closed-out Compacts; data revision is not expected for these Compacts.
*Gender totals may not match overall totals due to lack of gender counting in earlier Compacts.

Common Indicator Definitions:

(AI-1) Value of signed irrigation feasibility and design contracts:
The value of all signed feasibility, design, and environmental contracts, including resettlement action plans, for agricultural irrigation investments using 609(g) and compact funds.
(AI-2) Percent disbursed of irrigation feasibility and design contracts:
The total amount of all signed feasibility, design, and environmental contracts, including resettlement action plans, for agricultural irrigation investments disbursed divided by the total value of all signed contracts.
(AI-3) Value of signed irrigation construction contracts:
The value of all signed construction contracts for agricultural irrigation investments using compact funds.

(AI-4) Percent disbursed of irrigation construction contracts:
The total amount of all signed construction contracts for agricultural irrigation investments disbursed divided by the total value of all signed contracts.
(AI-5) Temporary employment generated in irrigation:
The number of people temporarily employed or contracted by MCA-contracted construction companies to work on construction of irrigation systems.
(AI-6) Farmers trained:
The number of primary sector producers (farmers, ranchers, fishermen, and other primary sector producers) receiving technical assistance or participating in a training session (on improved production techniques and technologies, including post-harvest interventions, developing business, financial, or marketing planning, accessing credit or finance, or accessing input and output markets).
(AI-7) Enterprises assisted:
The number of enterprises; producer, processing, and marketing organizations; water users associations; trade and business associations; and community-based organizations receiving assistance.
(AI-8) Hectares under improved irrigation:
The number of hectares served by existing or new irrigation infrastructure that are either rehabilitated or constructed with MCC funding.
(AI-9) Loan borrowers:
The number of borrowers (primary sector producers, rural entrepreneurs, and associations) who access loans for on-farm, off-farm, and rural investment through MCC financial assistance.
(AI-10) Value of agricultural and rural loans:
The value of agricultural loans and rural loans disbursed for on-farm, off-farm, and rural investments.
(AI-11) Farmers who have applied improved practices as a result of training:
The number of primary sector producers (farmers, ranchers, fishermen, and other primary sector producers) that are applying new production or managerial techniques introduced or supported by MCC training or technical assistance, such as input use, production techniques, irrigation practices, post-harvest treatment, farm management techniques, or marketing strategies.
(AI-12) Hectares under improved practices as a result of training:
The number of hectares on which farmers are applying new production or managerial techniques introduced or supported by MCC, such as input use, production techniques, irrigation practices, post-harvest treatment, farm management techniques, or marketing strategies.
(AI-13) Enterprises that have applied improved techniques:
The number of rural enterprises; producer, processing, and marketing organizations; water users associations; trade and business associations; and community-based organizations that are applying managerial or processing techniques introduced or supported by MCC.

Education Common Indicators:

		Process Indicators	Output Indicators	Outcome Indicators

Country	Region	(E-1) Value of signed educational facility construction, rehabilitation, and equipping contracts (USD)	(E-2) Percent disbursed of educational facility construction, rehabilitation, and equipping contracts	(E-3) Legal, financial, and policy reforms adopted	(E-4) Educational facilities constructed or rehabilitated	(E-5) Instructors trained	(E-6) Students participating in MCC-supported education activities	(E-7) Graduates from MCC-supported education activities	(E-8) Employed graduates of MCC-supported education activities
MCC Total		180,344,006	98.6%	5	746	4,407	215,242	62,211	–
EAPLA Total		38,036,913	98.1%	5	40	1,798	48,234	16,252	–
AFRICA Total		142,307,093	98.7%	–	706	2,609	167,008	45,959	–
El Salvador	EAPLA	9,857,585	99.8%	–	22	378	30,672	4,285	–
Georgia II		–	–	–	–	50	82	–	–
Mongolia		28,179,328	97.6%	5	18	1,370	17,480	11,967	–
Burkina Faso	AFRICA	22,758,211	99.9%	–	396	557	31,065	4,035	–
Ghana		18,689,747	100.0%	–	250	–	41,019	–	–
Morocco		4,568,837	76.2%	–	–	2,052	93,424	41,383	–
Namibia		96,290,298	99.2%	–	60	–	1,500	541	–
Gender*									
Female						2,297	72,843	36,990	–
Male						2,110	64,223	20,513	–

All program data are as of September 10, 2015. Data are preliminary and subject to adjustment.† Grey shading indicates closed-out Compacts; data revision is not expected for these Compacts. Indicators in this Results Framework may be added, removed , or modified as MCC's investments in education evolve over time. ‡ All MCC education programs have as their long-term end goal an increase in individual or household income and a corresponding decrease in poverty. † All financial data is of June 10, 2015.

*Gender totals may not match overall totals due to lack of gender counting in earlier compacts.

Common Indicator Definitions:

(E-1) Value of signed educational facility construction, rehabilitation, and equipping contracts:
The value of all signed construction contracts for educational facility construction, rehabilitation, or equipping (e.g. information technology, desks and chairs, electricity and lighting, water systems, latrines) using compact funds.

(E-2) Percent disbursed of educational facility construction, rehabilitation, and equipping contracts:
The total amount of all signed construction contracts for education facility works or equipping divided by the total value of all signed contracts.

(E-3) Legal, financial, and policy reforms adopted:
The number of reforms adopted by the public sector attributable to compact support that increase the education sector's capacity to improve access, quality, and/or relevance of education at any level, from primary to post-secondary.

(E-4) Educational facilities constructed or rehabilitated:
The number of educational facilities constructed or rehabilitated according to standards stipulated in MCA contracts signed with implementers.

(E-5) Instructors trained:
The number of classroom instructors who complete MCC-supported training focused on instructional quality as defined by the compact training activity.

(E-6) Students participating in MCC-supported education activities:
The number of students enrolled or participating in MCC-supported educational schooling programs.

(E-7) Graduates from MCC-supported education activities:
The number of students graduating from the highest grade (year) for that educational level in MCC-supported education schooling programs.

(E-8) Employed graduates of MCC-supported education activities:
The number of MCC-supported training program graduates employed in their field of study within one year after graduation.

Land Common Indicators:

		Output Indicators	Outcome Indicators

Country	Region	R(L-1) Legal and regulatory reforms adopted	R(L-2) Land administration offices established or upgraded	R(L-3) Stakeholders trained	R(L-4) Conflicts successfully mediated	R(L-5) Parcels corrected or incorporated in land system	R(L-6) Land rights formalized	R(L-7) Percentage change in time for property transactions	R(L-8) Percentage change in cost for property transactions
MCC Total		115	393	73,211	12,255	315,480	311,785	NA	NA
EAPLA Total		6	15	3,920	10,639	18,336	20,672	NA	NA
AFRICA Total		109	378	69,291	1,616	297,144	291,113	NA	NA
Mongolia	EAPLA	6	15	3,920	10,639	18,336	20,672	–	–
Nicaragua		–	–	–	–	–	–	–	–
Benin	AFRICA	–	–	50	–	–	–	–	–
Burkina Faso		54	78	61,057	1,364	18,490	4,793	–	–
Cabo Verde II		17	23	148	–	–	–	–	–
Ghana		4	3	427	23	1,481	–	–	–
Lesotho		11	1	575	151	53,296	21,753	-93	–
Madagascar		4	237	–	–	–	–	–	–
Mali		–	1	1,354	–	–	–	–	–
Mozambique		–	26	1,516	–	205,005	251,556	–	–
Namibia		19	–	2,524	–	8,869	4,356	–	–
Senegal		–	9	1,640	78	10,003	8,655	–	–
Gender									

		Output Indicators						Outcome Indicators	
Country	**Region**	**R(L-1) Legal and regulatory reforms adopted**	**R(L-2) Land administration offices established or upgraded**	**R(L-3) Stakeholders trained**	**R(L-4) Conflicts successfully mediated**	**R(L-5) Parcels corrected or incorporated in land system**	**R(L-6) Land rights formalized**	**R(L-7) Percentage change in time for property transactions**	**R(L-8) Percentage change in cost for property transactions**
*									
Male				51,326			83,967		
Female				20,729			54,026		
Joint							18,489		
Location*									
Urban						177,420	146,969		
Rural						84,764	122,391		

All program data are as of September 10, 2015. Data are preliminary and subject to adjustment.† All financial data is of June 10, 2015. Grey shading indicates closed-out Compacts; data revision is not expected for these Compacts.

*Gender and location totals may not match overall totals due to lack of counting by gender and location in earlier Compacts.

Common Indicator Definitions:

(L-1) Legal and regulatory reforms adopted:
The number of specific pieces of legislation or implementing regulations adopted by the compact country and attributable to compact support.

(L-2) Land administration offices established or upgraded:
The number of land administration and service offices or other related facilities that the project physically establishes or upgrades.

(L-3) Stakeholders trained:
The number of public officials, traditional authorities, project beneficiaries and representatives of the private sector, receiving formal on-the-job land training or technical assistance regarding registration, surveying, conflict resolution, land allocation, land use planning, land legislation, land management or new technologies.

(L-4) Conflicts successfully mediated:

The number of disputed land and property rights cases that have been resolved by local authorities, contractors, mediators or courts with compact support.

(L-5) Parcels corrected or incorporated in land system:

The number of parcels with relevant parcel information corrected or newly incorporated into an official land information system (whether a system for the property registry, cadastre or an integrated system).

(L-6) Land rights formalized:

The number of household, commercial and other legal entities (e.g., NGOs, churches, hospitals) receiving formal recognition of ownership and/or use rights through certificates, titles, leases, or other recorded documentation by government institutions or traditional authorities at national or local levels.

(L-7) Percentage change in time for property transactions:

The average percentage change in number of days for an individual or company to conduct a property transaction within the formal system.

(L-8) Percentage change in cost for property transactions:

The average percentage change in US Dollars of out of pocket cost for an individual or company to conduct a property transaction within the formal system.

Roads Common Indicators:

	Process Indicators								**Output Indicators**	**Outcome Indicators**		
Country	**Region**	**(R-1) Value of signed road feasibility and design contracts**	**(R-2) Percent disbursed of road feasibility and design contracts**	**(R-3) Kilometers of roads under design**	**(R-4) Value of signed road construction contracts**	**(R-5) Percent disbursed of road construction contracts**	**(R-6) Kilometers of roads under works contracts**	**(R-7) Temporary employment generated in road construction**	**(R-8) Kilometers of roads completed**	**(R-9) Roughness**	**(R-10) Average annual daily traffic**	**(R-11) Road traffic fatalities**
MCC Total		130,499,160	96.7%	4,433	2,370,736,222	86.1%	3,918	49,822	2,876	NA	NA	350
EAP LA		64,075,77	93%	1,758	1,109,432,	85%	1834.3	1,309	1,590	–	–	–

	Process Indicators								Output Indicators	Outcome Indicators		
Country	**Region**	**(R-1) Value of signed road feasibility and design contracts**	**(R-2) Percent disbursed of road feasibility and design contracts**	**(R-3) Kilometers of roads under design**	**(R-4) Value of signed road construction contracts**	**(R-5) Percent disbursed of road construction contracts**	**(R-6) Kilometers of roads under works contracts**	**(R-7) Temporary employment generated in road construction**	**(R-8) Kilometers of roads completed**	**(R-9) Roughness**	**(R-10) Average annual daily traffic**	**(R-11) Road traffic fatalities**
Total		1			912							
AFRICA Total		66,423,389	100%	2,675	1,261,303,310	87%	2083.4	48,513	1,286	–	–	350
Armenia	EAP LA	–	–	–	–	–	–	–	24.4	3.47	735	–
El Salvador		18,321,410	99%	223	248,378,825	97%	223.0	–	223.32	–	–	–
Georgia		11,980,000	99%	–	197,299,030	100%	220.2	–	220.20	1.50	1,092	–
Honduras		9,500,000	75%	673	179,400,000	72%	673.0	–	610.10	–	–	–
Moldova		–	–	96	100,807,443	96%	96.0	1,309	96	–	–	
Mongolia		6,083,650	89%	19.3	73,108,907	91%	176.4	–	176.40	1.90	353	–
Nicaragua		–	–	375.5	56,507,526	100%	74.0	–	74.0	–	–	–

	Process Indicators								Output Indicators	Outcome Indicators		
Country	**Region**	**(R-1) Value of signed road feasibility and design contracts**	**(R-2) Percent disbursed of road feasibility and design contracts**	**(R-3) Kilometers of roads under design**	**(R-4) Value of signed road construction contracts**	**(R-5) Percent disbursed of road construction contracts**	**(R-6) Kilometers of roads under works contracts**	**(R-7) Temporary employment generated in road construction**	**(R-8) Kilometers of roads completed**	**(R-9) Roughness**	**(R-10) Average annual daily traffic**	**(R-11) Road traffic fatalities**
Philippines		15,235,623	94%	222	197,934,131	49%	222.0	–	16	–	–	–
Vanuatu		2,955,088	100%	150	55,997,051	97%	149.7	–	149.70	3.00	–	–
Burkina Faso	AFRICA	8,339,651	115%	536	140,205,145	102%	419.1	4,162	277.80	–	–	6
Cape Verde I		3,520,000	92%	63	24,280,000	100%	40.6	–	40.60	2.00		–
Ghana		5,549,044	100%	943	250,604,022	100%	446.4	35,455	445.03		–	301
Mali		–	–	–	42,918,038	35%	81.0	–	79.00	–	–	–
Mozambique**		17,669,992	85%	253	132,240,557	88%	253.0	2,308	253		–	–
Senegal		12,201,371	102%	406	271,128,882	70%	375.0	2,757	–	–	–	43

	Process Indicators								Output Indicators	Outcome Indicators		
Country	**Region**	**(R-1) Value of signed road feasibility and design contracts**	**(R-2) Percent disbursed of road feasibility and design contracts**	**(R-3) Kilometers of roads under design**	**(R-4) Value of signed road construction contracts**	**(R-5) Percent disbursed of road construction contracts**	**(R-6) Kilometers of roads under works contracts**	**(R-7) Temporary employment generated in road construction**	**(R-8) Kilometers of roads completed**	**(R-9) Roughness**	**(R-10) Average annual daily traffic**	**(R-11) Road traffic fatalities**
Tanzania		19,143,331	107%	473	399,926,666	91%	468.34	3,831	190.14	–	–	–
Gender*												
Male								13,260				45
Female								1,197				4
Road Type*												
Primary		65,222,944	23%	2,060	1,342,644,867	90%	1,867		1,177.58			
Secondary		24,735,623	87%	1,374	642,006,924	75%	1,133		319.68			
Tertiary		6,719,183	112%	935	164,505,401	66%	681		1,077.77			

All program data are as of September 10, 2015. Data are preliminary and subject to adjustment.† All financial data is of June 10, 2015. Grey shading indicates closed-out Compacts; data revision is not expected for these Compacts.

*Gender and road type totals may not match overall totals due to lack of counting by gender and road type in earlier Compacts.

** The kilometers of roads completed for Mozambique is provisional data. Subject to change after verification of takeover certificates.

Common Indicator Definitions:

(R-1) Value of signed road feasibility and design contracts:
The value of all signed feasibility, design, and environmental contracts, including resettlement action plans, for road investments using 609(g) and compact funds.
(R-2.1) Value disbursed of road reasibilty and design contracts:
The value disbursed of all signed feasibility, design, and environmental contracts, including resettlement action plans, for road investments using 609(g) and compact funds.
(R-3) Kilometers of roads under design:
The length of roads in kilometers under design contracts. This includes designs for building new roads and reconstructing, rehabilitating, resurfacing or upgrading existing roads.
(R-4) Value of signed road construction contracts:
The value of all signed construction contracts for new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads using compact funds.
(R-5.1) Value disbursed of roads construction contracts:
The value disbursed of all signed construction contracts for new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads.
(R-5) Percent disbursed of road construction contracts:
The total amount of all signed construction contracts for new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads disbursed divided by the total value of all signed contracts.
(R-6) Kilometers of roads under works contracts:
The length of roads in kilometers under works contracts for construction of new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads.
(R-7) Temporary employment generated in road construction:
The number of people temporarily employed or contracted by MCA-contracted construction companies to work on construction of new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads.
(R-8) Kilometers of roads completed:
The length of roads in kilometers on which construction of new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads is complete (certificates handed over and approved).
(R-9) Roughness:
The measure of the roughness of the road surface, in meters of height per kilometer of distance traveled.
(R-10) Average annual daily traffic:
The average number and type of vehicles per day, averaged over different times (day and night) and over different seasons to arrive at an annualized daily average.
(R-11) Road traffic fatalities:
The number of road traffic fatalities per year on roads constructed, rehabilitated or improved with

MCC funding.

Water Supply, Sanitation and Hygiene Common Indicators:

		Process Indicators					Output Indicators		Outcome Indicators								
Country	Region	(WS-1) Value of signed water and sanitation feasibility and design contracts (USD)	(WS-2) Percent disbursed of water and sanitation feasibility and design contracts	(WS-3) Value of signed water and sanitation construction contracts (USD)	(WS-4) Percent disbursed of water and sanitation construction contracts	(WS-5) Temporary employment generated in water and sanitation construction	(WS-6) People trained in hygiene and sanitary best practices	(WS-7) Water points constructed	(WS-8) Non revenue water	(WS-9) Continuity of service	(WS-10) Operating cost coverage	(WS-11) Volume of water produced**	(WS-12) Access to improved water supply	(WS-13) Access to improved sanitation	(WS-14) Residential water consumption**	(WS-15) Industrial/Commercial water consumption**	(WS-16) Incidence of diarrhea**
MCC Total		55,146,795	97.7%	694,655,717	69.7%	15,437	12,038	1,181	49.2%	NA	NA	200,330,000	NA	NA	NA	NA	NA
EAPL		5,250,	96.2%	368,1	62.8%	931	2,406	-	60.6%	-	-	-	-	-	-	-	-

		Process Indicators					Output Indicators		Outcome Indicators								
Country	Region	(WS-1) Value of signed water and sanitation feasibility and design contracts (USD)	(WS-2) Percent disbursed of water and sanitation feasibility and design contracts	(WS-3) Value of signed water and sanitation construction contracts (USD)	(WS-4) Percent disbursed of water and sanitation construction contracts	(WS-5) Temporary employment generated in water and sanitation construction	(WS-6) People trained in hygiene and sanitary best practices	(WS-7) Water points constructed	(WS-8) Non revenue water	(WS-9) Continuity of service	(WS-10) Operating cost coverage	(WS-11) Volume of water produced**	(WS-12) Access to improved water supply	(WS-13) Access to improved sanitation	(WS-14) Residential water consumption**	(WS-15) Industrial/Commercial water consumption**	(WS-16) Incidence of diarrhea**
A Total		665		86,587													
AFRICA Total		49,896,130	97.9%	326,469,130	77.5%	14,506	9,632	1,181	37.9%	-	-	200,330,000	-	-	-	-	-
El Salvador	EAPLA	4,983,800	96.0%	10,451,448	97.5%	-	2,406	-	-	-	-	-	83%	88%			

		Process Indicators					Output Indicators		Outcome Indicators								
Country	**Region**	**(WS-1) Value of signed water and sanitation feasibility and design contracts (USD)**	**(WS-2) Percent disbursed of water and sanitation feasibility and design contracts**	**(WS-3) Value of signed water and sanitation construction contracts (USD)**	**(WS-4) Percent disbursed of water and sanitation construction contracts**	**(WS-5) Temporary employment generated in water and sanitation construction**	**(WS-6) People trained in hygiene and sanitary best practices**	**(WS-7) Water points constructed**	**(WS-8) Non revenue water**	**(WS-9) Continuity of service**	**(WS-10) Operating cost coverage**	**(WS-11) Volume of water produced****	**(WS-12) Access to improved water supply**	**(WS-13) Access to improved sanitation**	**(WS-14) Residential water consumption****	**(WS-15) Industrial/Commercial water consumption****	**(WS-16) Incidence of diarrhea****
Georgia		266,865	100.0%	54,315,000	94.2%	-	-	-	-	-	-	-	-	-	-	-	-
Jordan		-	-	303,420,139	56.0%	931	-	-	60.6%	36	83%	-	-	72%	-	-	-
Cabo Verde II	AFRICA	2,889,560	69.9%	2,343,526	26.4%	316	-	-	-	-	-	-	-	-	20	23,896.8	-

		Process Indicators					Output Indicators		Outcome Indicators								
Country	**Region**	**(WS-1) Value of signed water and sanitation feasibility and design contracts (USD)**	**(WS-2) Percent disbursed of water and sanitation feasibility and design contracts**	**(WS-3) Value of signed water and sanitation construction contracts (USD)**	**(WS-4) Percent disbursed of water and sanitation construction contracts**	**(WS-5) Temporary employment generated in water and sanitation construction**	**(WS-6) People trained in hygiene and sanitary best practices**	**(WS-7) Water points constructed**	**(WS-8) Non revenue water**	**(WS-9) Continuity of service**	**(WS-10) Operating cost coverage**	**(WS-11) Volume of water produced****	**(WS-12) Access to improved water supply**	**(WS-13) Access to improved sanitation**	**(WS-14) Residential water consumption****	**(WS-15) Industrial/Commercial water consumption****	**(WS-16) Incidence of diarrhea****
Ghana		1,475,148	100.0%	13,949,465	100.0%	-	778	392	-	-	-	-	-	-	36	-	-
Lesotho		3,594,133	100.0%	59,733,645	89%	11,527	454	175	27.0%	-	-	-	-	-	-	-	-
Mozambique		35,076,009	99.1%	169,500,497	87.5%	2,276	8,400	614	-	-	-	-	23.4	-	19.5	-	-

		Process Indicators					Output Indicators		Outcome Indicators								
Country	**Region**	**(WS-1) Value of signed water and sanitation feasibility and design contracts (USD)**	**(WS-2) Percent disbursed of water and sanitation feasibility and design contracts**	**(WS-3) Value of signed water and sanitation construction contracts (USD)**	**(WS-4) Percent disbursed of water and sanitation construction contracts**	**(WS-5) Temporary employment generated in water and sanitation construction**	**(WS-6) People trained in hygiene and sanitary best practices**	**(WS-7) Water points constructed**	**(WS-8) Non revenue water**	**(WS-9) Continuity of service**	**(WS-10) Operating cost coverage**	**(WS-11) Volume of water produced****	**(WS-12) Access to improved water supply**	**(WS-13) Access to improved sanitation**	**(WS-14) Residential water consumption****	**(WS-15) Industrial/Commercial water consumption****	**(WS-16) Incidence of diarrhea****
Tanzania		6,861,280	102.1%	45,403,796	81.1%	387	–	–	48.8%	–	113%	200,330,000	–	–	167	998,440	–
Zambia		–	–	35,538,201	–	–	–	–	–	–	–	–	–	–	–	–	–
Gender*																	

		Process Indicators					Output Indicators		Outcome Indicators								
Country	Region	(WS-1) Value of signed water and sanitation feasibility and design contracts (USD)	(WS-2) Percent disbursed of water and sanitation feasibility and design contracts	(WS-3) Value of signed water and sanitation construction contracts (USD)	(WS-4) Percent disbursed of water and sanitation construction contracts	(WS-5) Temporary employment generated in water and sanitation construction	(WS-6) People trained in hygiene and sanitary best practices	(WS-7) Water points constructed	(WS-8) Non revenue water	(WS-9) Continuity of service	(WS-10) Operating cost coverage	(WS-11) Volume of water produced**	(WS-12) Access to improved water supply	(WS-13) Access to improved sanitation	(WS-14) Residential water consumption**	(WS-15) Industrial/Commercial water consumption**	(WS-16) Incidence of diarrhea**
Female						460	5,719										
Male						3,063	5,865										

"All program data are as of September 10, 2015. Data are preliminary and subject to adjustment.† All financial data is of June 10, 2015. Grey shading indicates closed-out Compacts; data revision is not expected for these Compacts.

** This is a monitoring indicator; any change over baseline data represents the current trend and does not represent the direct impact of the MCC-investment."

*Gender totals may not match overall totals due to lack of gender counting in earlier compacts.

Common Indicator Definitions:

(WS-1) Value of signed water and sanitation feasibility and design contracts:
The value of all signed feasibility, design, and environmental contracts, including resettlement action plans, for water and sanitation investments using 609(g) and compact funds.

(WS-2) Percent disbursed of water and sanitation feasibility and design contracts:
The total amount of all signed feasibility, design, and environmental contracts, including resettlement action plans, for water and sanitation investments disbursed divided by the total value of all signed contracts.

(WS-3) Value of signed water and sanitation construction contracts:
The value of all signed construction contracts for reconstruction, rehabilitation, or upgrading of water and sanitation works using compact funds.

(WS-4) Percent disbursed of water and sanitation construction contracts:
The total amount of all signed construction contracts for construction, reconstruction, rehabilitation, or upgrading of water and sanitation works disbursed divided by the total value of all signed contracts.

(WS-5) Temporary employment generated in water and sanitation construction:
The number of people temporarily employed or contracted by MCA-contracted construction companies to work on construction of water or sanitation systems.

(WS-6) People trained in hygiene and sanitary best practices:
The number of people who have completed training on hygiene and sanitary practices that block the fecal-oral transmission route.

(WS-7) Water points constructed:
The number of non-networked, stand-alone water supply systems constructed, such as: protected dug wells, tube-wells / boreholes, protected natural springs and rainwater harvesting / catchment systems.

(WS-8) Non revenue water:
The difference between water supplied and water sold (i.e. volume of water "lost") expressed as a percentage of water supplied.

(WS-9) Continuity of service:
Average hours of service per day for water supply.

(WS-10) Operating cost coverage:
Total annual operational revenues divided by total annual operating costs.

(WS-11) Volume of water produced:
Total volume of water produced in cubic meters per day for the service area, i.e. leaving treatment works operated by the utility and purchased treated water, if any.

(WS-12) Access to improved water supply:
The percentage of households in the MCC project area whose main source of drinking water is a private piped connection (into dwelling or yard), public tap/standpipe, tube-well, protected dug well, protected spring or rainwater.

(WS-13) Access to improved sanitation:
The percentage of households in the MCC project area who get access to and use an improved sanitation facility such as flush toilet to a piped sewer system, flush toilet to a septic tank, flush or pour flush toilet to a pit, composting toilet, ventilated improved pit latrine or pit latrine with slab and cover.

(WS-14) Residential water consumption:

The average water consumption in liters per person per day.

(WS-15) Industrial/Commercial water consumption:

The average amount of commercial water consumed measured in cubic meters per month.

(WS-16) Incidence of diarrhea:

The percentage of individuals reported as having diarrhea in the two weeks preceding the survey.

FY 2016 Corporate Goals

These goals are intended to provide clarity and prioritization for management and staff as the agency moves into FY 2016. As in past years, the corporate goals are the starting point for annual department and division goal-setting, from which staff develop their individual performance plans.

1. Empower staff to better fulfill the agency mission and improve organizational health and staff morale.
2. Continue to deliver high quality MCC investments and partnerships.
3. Strengthen analytical tools and continue to lead on measurement and reporting results.
4. Strengthen operational efficiency and effectiveness by improving knowledge management, business processes and systems.
5. Expand and deepen the MCC model for greater impact and to enable the agency to continue to fulfill its mission.

Endnotes

1. The table includes estimates for compacts that have entered into force and have ERRs from which income benefit calculations can be drawn. Information for Indonesia is only available for one out of three projects at this time.
2. These estimates generally do not include the projected beneficiaries of projects or activities that have been terminated or suspended by MCC (Madagascar, Honduras, Nicaragua, Mali, and Armenia). In the case of Madagascar, the estimates account for the compact's early termination.
3. The Present Value (PV) of Benefits is the sum of all projected benefits accruing over the life of the project, typically 20 years, evaluated at a 10 percent discount rate. Estimates are reported in millions of U.S. dollars in the year that the ERR analysis was completed. Because the PV of benefits uses a discount rate, these figures cannot be compared directly to the undiscounted financial costs of MCC compacts, but must be compared to the PV of costs instead.
4. Column totals may not equal the sum of the individual rows due to rounding.

Reducing Poverty Through Growth

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